

ANNUAL REPORT
2007-08



ASSAM ELECTRICITY REGULATORY COMMISSION

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Foreword

It gives me immense pleasure to present this fourth Annual Report of the Assam Electricity Regulatory Commission containing a summary of the activities of the Commission in the year FY 2007-08.

The Commission has undertaken a number of initiatives for effective implementation of the wide-ranging responsibilities under the Electricity Act 2003. Supply of electricity at reasonable rate to all is essential for overall development of the state. Equally important is availability of reliable and quality power at competitive rates to industries and consumers for sustaining a stable regime of growth of this segment.

Keeping in view of the role of regulator, crucial for success of reform in power sector, the Commission has ceaselessly performed its task with due diligence and dedication at all times.

The Tariff Order issued by the Commission for FY 2007-08 on 12th Sept'07 is in a right direction towards separation of various components of cost of electricity, which is prerequisite for open access benefit to the consumers of the electricity. I am hopeful that with this pace of activity in the tariff front the commission will be able to implement fully the open access benefit to the consumer of the state in coming years.

The increasing interest towards non conventional energy resources by different investor is an encouraging step for harnessing untapped non conventional energy. The modest beginning of a 2 MW Small Hydro Station in 2006-07 was a maiden activity where the commission issued tariff order and the project is now under implementation. The 2007-08 has noticed increased activities in this front where number of such project developers in private sector have approached the Commission for tariff fixation. The 10 MW Rice Husk Based project at Marigaon, 6 MW Municipal Solid Waste project under Guwahati

Municipality Corporation and 3 MW Heat Recovery Generating Project at Noonmati, Guwahati are the projects currently conceptualized for implementation.

The Commission in its endeavour to further streamline and promote non conventional energy sources has notified Regulations under section 86 (e) of the Electricity Act 2003 which is under publication in official Gazette for implementation.

The Consumer Advocacy Cell functioning under the commission has continued to give necessary guidance to the consumers by way of direct interaction as well as through periodic news letter “The Electricity Consumer Grid”.

The Commission is thankful for the continued support received from the Government of Assam and various other stakeholders and resolves to carry on the work effectively in its endeavour to set up a fair, transparent and objective regulatory regime in the state.

15 .07.2008



(Jayanta Barakati)

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INTRODUCTION

- 1.1. The Assam Electricity Regulatory Commission (hereinafter referred to as the AERC or the Commission) was established under the Electricity Regulatory Commissions Act (hereinafter referred to as the ERC Act), 1998 on February 28, 2001. The AERC came into existence in August 2001 as a one-man Commission. Considering the multidisciplinary requirements of the Commission, it was made a multimember one constituting three Members (including Chairperson) from 27th January, 2006. The Commission has started functioning as Multimember Commission on joining of two members from 1st February, 2006.
- 1.2. The Commission is mandated to exercise the powers and functions conferred under Section 181 of the Electricity Act 2003 (36 of 2003) (hereinafter referred to as the Act) and to exercise the functions conferred to it under Section 86 of the Act. The Act was applicable from 10th June 2003.

2. FUNCTIONS OF THE COMMISSION

The Commission is vested with the responsibility of discharging the following functions:

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
- (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 licences 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 the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- (g) levy fee for the purposes of the Electricity Act, 2003;
- (h) specify State Grid Code;
- (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;
- (k) discharge such other functions as may be assigned to it under the Electricity Act, 2003;
- (l) 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) reorganization and restructuring of electricity industry in the State; matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.

3. MISSION OF THE COMMISSION

- (a) To promote competition, efficiency and economy in the activities of the

Electricity Industry within the State of Assam.

- (b) to regulate the power purchase and procurement process of the distribution utilities for sale, distribution and supply of electricity within the State of Assam.
- (c) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, and the tariff payable for use of transmission facilities, within the State of Assam.

The Vision of the Commission is :

An Assam where the electricity supply system supplies uninterrupted power at required voltages where all consumers can meet their requirements of power at an affordable cost anytime, so that the state can develop on the basis of such power supply.

4. CHAIRPERSON OF THE COMMISSION

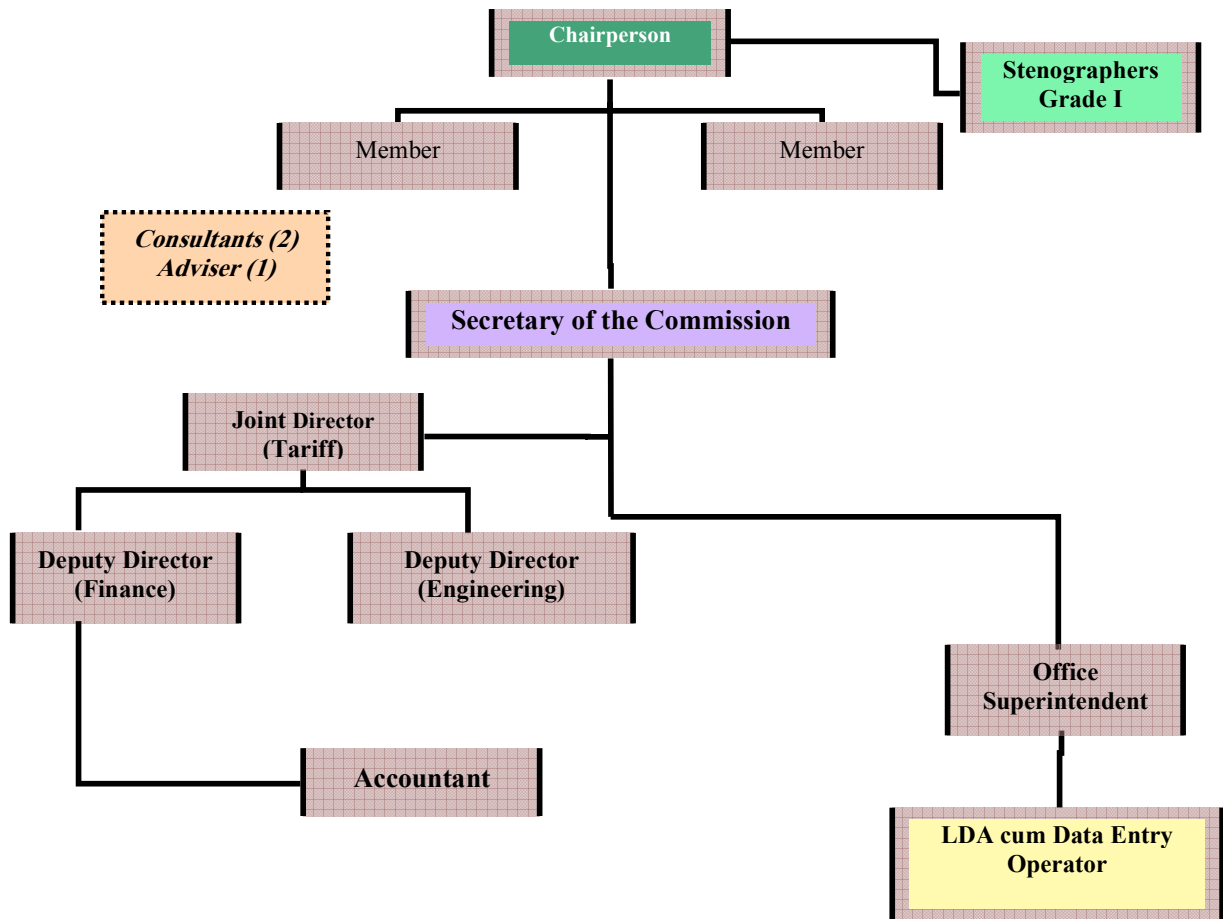
During the reporting period the Commission was headed by Shri P. K. Bora, IAS (Retd.) who joined as Chairperson of the Commission on 2nd June, 2006. Shri Jadab Prasad Saikia, Member replaced Shri Bora as Officiating Chairperson after the superannuation of Shri Bora as Chairperson of the Commission on July 31, 2007.

5. COMMISSION'S OFFICE

The Commission is functioning in a rented building at ASEB Complex, Six Mile, Dwarandhar, Guwahati – 781 022 since 1st January, 2005.

6. ORGANISATIONAL SET UP AS ON 31st MARCH, 2008 IS SHOWN IN THE CHART AS FOLLOWS :

ORGANISATIONAL CHART OF AERC



7. EXISTING MANPOWER AS ON 31.03.2008

Position Held	2007-08	Remarks
1. Chairperson	Shri P. K. Bora, IAS (Retd.) Shri J. P. Saikia	Upto 31 st July 2007. Took charge as Officiating Chairperson as Shri P. K. Bora, Chairperson retired on 1 st August, 2007.
2. Member	Shri Jadab Prasad Saikia	Joined as Member, Assam Electricity Regulatory Commission on 01.02.2006.
3. Member	Shri Himadri Dutta	Joined as Member, Assam Electricity Regulatory Commission on 01.02.2006.
4. Secretary	Smti Neelima Dewri Dutta, ACS	Joined on 25 th May, 2005 on deputation from the Government of Assam.
5. Joint Director (Tariff)	Shri M. K. Adhikary	On Deputation from ASEB, joined on 31.07.2004
6. Deputy Director (Engineering)	Shri A. Goswami	On Deputation from ASEB, joined on 13.10.2004
7. Deputy Director (Finance)	Shri Alik Purkayastha	Joined on 1 st April, 2007 on contract service.
8. Stenographer	Shri J.C. Lahkar	On Deputation from ASEB, joined

Position Held	2007-08	Remarks
(Grade I)		on 10.08.2004
9. Office Superintendent	Shri M.C. Bhattacharya	On Deputation from STATFED joined on 21.08.2004 and on contractual appointment since 21.08.2007.
10. Accountant	Shri G.C. Deka	On Deputation from STATFED joined on 21.08.2004 and on contractual appointment since 21.08.2007.
11. Data Entry Operator	Shri R. Bahadur	On Contract Service since
12. LDA-cum-Data Entry Operator	Shri Bhaskarjyoti Borah	On Contract Service since 1 st June 2006.
13. Grade IV Employees	1. Shri R.K. Barman	On deputation from ASEB. Joined on 13.08.2004.

In addition, the following Consultants are engaged by the Commission for assisting in various activities of the Commission.

Position Held	2007-08	Remarks
1. Adviser (Law)	Shri A.K. Thakur	On contract service (Part Time) since

2. Consultant (Finance, Database & Consumer Advocacy)	Ms P. Sharma	On contract service since 7 th January 2004.
3. Consultant (Data Collection)	Shri P. Borah	On contract service upto 31 st March, 2008

8. TRAINING AND CONFERENCES

During FY 2007-08, Chairperson, and Members of the Commission attended meetings / conferences as given below:

Date	Venue	Subject	Attended By
08.04.2007 - 9.04.2007	Ramnagar, Uttarakhand	Forum Of Indian Regulators	Shri P.K. Bora, Chairperson
14.07.2007 - 15.07.2007	New Delhi	SAFIR, Steering Committee Meeting and Workshop	Shri P.K. Bora, Chairperson
5.10.2007 - 6.10.2007	Ahmedabad	Forum Of Indian Regulators (FOIR)	Shri J.P. Saikia, Officiating Chairperson
15.11.2007	New Delhi	Ministry Of Power, Government of India	Shri J.P. Saikia, Officiating Chairperson
2.03.2008	Ranchi	Forum Of Indian Regulators (FOIR)	Shri J.P. Saikia, Officiating Chairperson

Date	Venue	Subject	Attended By
8.04.2007 – 9.04.2007	Ramnagar, Uttarakhand	Forum Of Indian Regulators (FOIR)	Shri H.D. Dutta, Member
7.06.2007 – 8.06.2007	New Delhi	Forum Of Indian Regulators (FOIR)	Shri H.D. Dutta, Member
23.11.2007	Jamshedpur	Seminar organized with F.O.R. members by Jharkhand Electricity Regulatory Commission	Shri H.D. Dutta, Member
16.03.2008 – 17.03.2008	New Delhi	Seminar on Non Conventional Energy	Shri H.D. Dutta, Member

During FY 2007-08, the following officers of AERC attended training programmes.

Date	Venue	Subject	Attended By
26.03.2008	At Hotel Leela in Mumbai	Using Demand Side Management to Support Electricity Grid.	Shri M.K. Adhikary, Joint Director (Tariff)
3.10.2007 – 5.10.2007	Bangalore	Finance for Non – Finance Executives	Shri A. Goswami, Deputy Director (Engg)

Date	Venue	Subject	Attended By
July 2007	IGNOU, Guwahati	Six months distance learning programme on Advanced Certificate Programme in Power Distribution Management	Shri A. Goswami, Deputy Director (Engg)
18.05.2007- 19.05.2007	Assam Engineering College, Jalukbari	Sustainable Development of Rural Areas of North East India	Shri A. Goswami, Deputy Director (Engg)
15.11.2007	Hotel Rajmahal, Guwahati	Regional Meet for Demonstration of Trading Platform and Membership Registration of Indian Energy Exchange.	Shri A. Goswami, Deputy Director (Engg)

9. STATE ADVISORY COMMITTEE

During 2007-08, one meeting of the State Advisory Committee of the Assam Electricity Regulatory Commission was held.

- a) 11th Meeting of the State Advisory Committee was held on 27th June, 2007.

9.1. 11th Meeting of the State Advisory Committee held on 27th June, 2007.

Main issues in the agenda for discussion were :

1. Multi Tear Tariff Proposal filed by ASEB and its Successor Entities for the FY 2007 -2008, 2008-09 and 2009-10.
2. Cogeneration and generation of electricity from renewable sources of energy and matters regarding regulation.
3. Status of AERC (Electricity Supply Code and Related Matters) Regulations, 2004 (First Amendment), 2007

10. THE COORDINATION FORUM

10. During 2007-08, one meeting of the Coordination Forum of the Assam Electricity Regulatory Commission (5th Meeting) was held on 10th May, 2007. Main issues for discussion in agenda were :

10. 1. Small hydro / non conventional energy projects.
10. 2. Gas Supply position of the Thermal Stations of APGCL / DLF / NEEPCO.
10. 3. Review of overall power scenario and proposed new projects of State and Central Sector Power Scheme in the state of Assam.
10. 4. Status of transmission utilities and new projects of State and Central Sector in the state of Assam.Rural Electrification.
10. 5. Rural Electrification / Rajiv Gandhi Gramya Bidyutikaran Yozana (RGGBY).
10. 6. Other matters.

10.

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11. THE CONSUMER ADVOCACY CELL.

FUNCTIONING OF THE CONSUMER ADVOCACY CELL, AERC

The Consumer Advocacy Cell of Assam Electricity Regulatory Commission is now one year old. Formed on 4th February, 2005, the Cell has embarked upon different activities during the period of time for promoting awareness among consumers on power related matters which are indicated below:

- (A) New consumer groups were empanelled with the Cell from different parts of Assam for consumer participation in important regulatory matters.
- (B) A quarterly power information bulletin titled “The Electricity Consumer Grid” is being published consisting of useful information to consumers like - Mechanism for complaint redressal, important tips to electricity users and other power related information. Eight editions of this bulletin have been published so far. These are available at the official website of the Commission: www.aerc.nic.in.
- (C) The Cell observed “National Energy Conservation Day” on 14th December 2007. On the occasion banners on the need for energy conservation were displayed and leaflets on how to save energy were distributed among consumers. In a meeting organized at the Commission’s office premises, the urgency in conserving energy and building awareness among consumers on the matter were highlighted.

12. DISPOSAL OF TARIFF PETITION FOR 2007-08

ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF PETITIONS OF UNBUNDLED ENTITIES.

Assam State Electricity Board (ASEB) and its five successor entities submitted petition for Annual Revenue Requirements (ARR) for FY 2007-08 to FY 2009-10 along with tariff proposals for FY2007-08 to meet the additional revenue requirements before the Assam Electricity Regulatory Commission (AERC) as per provisions of the Electricity Act, 2003 and regulations made under the Act.

As per the provisions of Assam Electricity Reform Final Transfer Scheme, 2005, notified by the State Government as per the provision of the Electricity Act vide PEL.151/2003/Pt/349 dated 16th August, 2005, the ASEB is carrying out the function of bulk purchaser and bulk supplier. Accordingly, ASEB has filed petition before the Commission for Bulk Supply Tariff applicable for distribution companies.

The Annual Revenue Requirements (ARR) for ASEB submitted are as below:

Annual Revenue Requirements (ARR) of ASEB as Trader.

Rs Crs

	FY 07-08	FY 08-09	FY 09-10
Sale of Power (MU)	4,127.43	4,579.47	5,147.44
INCOME			
Revenue from tariffs & Miscell. Charges	825.80	896.59	1,025.73
Total	825.80	896.59	1,025.73
Expenditure			
Power Purchase	798.80	866.98	992.39
Trans charges	-	-	-
Trans charges for PGCIL	-	-	-
R&M Expense	-	-	-
Employee Expenses	0.53	0.68	0.75
A&G Expense	1.07	1.14	1.21
Depreciation	-	-	-
Interest & Finance Charges	13.37	14.46	16.47
Less: Interest & other expenses capitalised	-	-	-
Other Debits	11.21	12.46	14.33
Extraordinary Items			
Other (Misc.)-net prior period credit			
Total	824.98	895.72	1,025.16
ROE 14%			
Less: Other Income	0.47	0.48	0.48
Add Provision for taxes	0.43	0.45	0.36
Annual Revenue Requirement	824.94	895.70	1,025.03

Salient Features of Tariff Petition for FY 2007-08

ARR Element	Filed (Rs. Crores)			
	LAEDCL	CAEDCL	UAEDCL	Weighted Average
BST rate per unit (Differential)- Rs./per unit	2.21	1.63	2.46	2.13

In the ARR submitted for ASEB as a Bulk Purchaser and Supplier, the ARR requirements of APGCL & AEGCL are included as below:

Annual Revenue Requirements (ARR) of APGCL

Rs. crores

Power Generation	FY 07-08	FY 08-09	FY 09-10
Energy generated (MU)	1,535.00	1,819.27	2,119.08
Sale of Power (MU)	1,476.34	1,747.03	2,037.35
Aux Consumption Loss %	3.8%	4.0%	3.9%
INCOME			
Revenue from tariffs & Miscell. Charges	329.26	394.41	464.02
EXPENDITURE			
Generation Cost	154.59	171.14	158.15
R&M Expense	8.04	8.52	9.03
Employee Expenses	48.41	61.26	71.52
A&G Expense	3.63	3.84	4.08
Depreciation	40.78	69.43	100.27
Interest & Finance Charges	61.59	77.79	116.80
Less: Interest & other expenses capitalised	12.31	29.41	55.68
Other Debits (incl. Prov for Bad debts, int on wk d)	41.23	9.67	8.63
Extraordinary Items	-	-	-
Other (Misc.)-net prior period credit	-	-	-
Total	315.95	372.25	412.79
ROE	20.21	23.88	41.45
Less: Other Income	5.20	5.22	5.24
Add: Provision for taxes	6.23	9.22	19.01
Annual Revenue Requirement	337.19	400.13	468.01

Salient Features of Tariff Petitions for FY 2007-08

- | | | |
|-----|-------------------------------|------------------|
| (a) | Anticipated Gross Generation: | 1535.00 MU |
| (b) | Anticipated net generation | 1476.34 MU |
| (c) | Annual Fixed Cost | Rs 174.66 Cr |
| (d) | Annual Variable Charge | Rs 162.53 Cr |
| (e) | Average Tariff | Rs. 2.2839 / Kwh |

Annual Revenue Requirements (ARR) of AEGCL

	FY 07-08	FY 08-09	FY 09-10
Energy Available at interface point (MU)	4,127.43	4,579.47	5,292.35
Sale of Power (MU)	3,875.65	4,312.94	4,984.86
Loss %	6.10%	5.82%	5.81%
INCOME			
Revenue from tariffs & Miscell. Charges	300.91	289.01	325.76
EXPENDITURE			
PGCIL Charges & NERLDC charges	109.52	111.06	125.49
Repairs & Maintenance Expenses	9.97	10.57	11.20
Employee Expenses	127.35	100.16	112.14
Administration & General Expenses	1.98	2.09	2.22
Depreciation	24.54	33.15	34.57
Interest & Finance Charges	34.35	44.11	64.21
Less: Interest & other expenses capitalised	1.48	7.09	11.85
Other Debits	0.86	-	-
Extraordinary Items	-	-	-
Other (Misc.)-net prior period credit	-	-	-
Total	307.08	294.05	337.98
Return on Equity	13.99	13.99	13.99
Less: Other Income	25.68	26.12	26.58
Add: Provision for taxes	6.38	7.10	4.84
Annual Revenue Requirement	301.96	289.01	330.23

Annual Revenue Requirements (ARR) of SLDC

<u>Fixed charges</u>	Rs Crores		
	07-08	08-09	09-10
Operations & Maintenance			
Employees cost	1.27	1.00	1.12
Repairs & maintenance	0.10	0.11	0.11
Administrative & General Expenses	0.02	0.02	0.02
Depreciation	0.50	0.81	0.81
ULDC /NERLDC	5.16	5.16	5.16
Interest and Financing Charges	0.50	0.50	0.49
Taxes on Income	0.16	0.19	0.17
TOTAL	7.71	7.79	7.88
Less: Other Income	0.15	0.15	0.15
ARR of SLDC	7.57	7.64	7.74

Salient Features of Tariff Petition for FY 2007-08

The salient features of the petitions of AEGCL are:

- | | | |
|-----|------------------------------------|----------------|
| (a) | Total Annual Revenue requirements | Rs. 301.96 Cr |
| (b) | Anticipated transmission of energy | 3875.65 MU |
| (c) | Transmission loss | 6.10 % |
| (d) | Average transmission charge | Rs. 0.78 / kwh |

The salient features of the petitions of SLDC are:

SLDC charges Rs /MW/per day Rs 203.68

The ARRs of Distribution Companies are submitted including Bulk Supply Tariff proposed by ASEB.

The Assam Electricity Regulatory Commission (AERC) after receipt of the petition directed ASEB and its successor entities to publish the ARRs and Tariff Proposals of all distribution companies along with projected energy sale proposals as below:

Annual Revenue Requirements (ARR) of the Distribution Companies

Rs. Crores

	FY 07-08			FY 08-09			FY 09-10		
	LAEDCL	CAEDCL	UAEDCL	LAEDCL	CAEDCL	UAEDCL	LAEDCL	CAEDCL	UAEDCL
Power Purchase									
Energy Available at interface point (MU)	1,614.01	1,060.02	1,201.63	1,796.12	1,179.62	1,337.21	2,019.10	1,326.06	1,503.22
Sale of Power (MU)	1,265.38	778.58	860.97	1,426.12	898.87	998.23	1,623.36	1,040.30	1,155.97
Loss %	21.60%	26.55%	28.35%	20.60%	23.80%	25.35%	19.60%	21.55%	23.10%
INCOME									
Revenue from tariffs & Miscell. Charges	649.00	364.74	447.90	799.78	452.82	547.02	977.35	541.31	659.19
EXPENDITURE									
Power Purchase	482.70	255.18	389.41	508.38	266.75	411.10	579.57	303.83	468.80
R&M Expense	6.71	6.51	7.87	7.11	6.90	8.34	7.54	7.31	8.84
Employee Expenses	113.54	88.30	77.39	147.60	114.79	100.60	162.36	126.27	110.66
A&G Expense	6.44	3.65	3.48	6.82	3.87	3.68	7.22	4.09	3.89
Depreciation	23.80	24.10	17.85	30.95	29.95	25.45	45.48	37.76	42.11
Interest & Finance Charges	35.16	31.37	28.75	52.28	37.31	44.64	64.97	42.02	55.25
Less: Interest & other expenses capitalised	1.32	0.37	1.46	4.40	1.60	4.45	0.48	0.03	0.01
Other Debits (incl. Prov for Bad debts)	15.06	9.08	23.26	30.12	9.97	34.42	35.21	9.22	44.17
Extraordinary Items	-	-	-	-	-	-	-	-	-
Other (Misc.)-net prior period credit	-	-	-	-	-	-	-	-	-
Total	682.10	417.83	546.54	778.87	467.93	623.79	901.88	530.48	733.71
ROE	0.79	7.67	0.75	0.79	7.67	0.75	0.79	7.67	0.75
Other Income	66.46	45.70	51.19	32.87	23.65	26.19	27.07	19.84	21.88
Provision for taxes	11.23	-	-	18.11	-	-	34.53	-	-
Annual Revenue Requirement	627.66	379.80	496.10	764.90	451.95	598.35	910.12	518.31	712.59

Tariff Proposals with existing Tariffs

LT CATEGORY		Existing in Rs.		Proposed in Rs.	
I	Jeevan Dhara	2.15	15/ connection	2.25	15/ connection
II	Domestic A upto 5 KVA				
	0-30kwh /month				
	0-120kwh /month /31-120kwh /month	2.75	30.00	3.00	30.00
	121-240/month	3.80	30.00	4.00	30.00
	Balance	4.50	30.00	4.75	30.00
III	Domestic B 5 kw to 20 kw	4.10	30.00	4.25	30.00
IV	Commercial upto 20 kw	4.50	110.00	4.75	110.00
V	General Purpose upto 20 kw	3.85	125.00	4.10	125.00
VI	Public lighting	4.20	120.00	4.40	120.00
VII	Agriculture upto 7.5 hp	2.25	30.00	2.50	30.00
VIII	Small Industries upto 25 kva				
	i) Rural	2.30	30.00	2.75	30.00
	ii) Urban	2.55	40.00	3.00	40.00
IX	Temporary Supply upto 20 kw (minimum charge)				
	i) Domestic	5.50	75.00/kw/day	5.80	75.00/kw/day
	ii) Non Domestic	6.50	120.00/kw/day	6.80	120.00/kw/day
HT CATEGORY					
I	HT Domestic above 25 kva	3.90	30.00	4.10	30.00
II	HT commercial above 25 kva	4.20	115.00	4.50	115.00
III	Public Water Works	4.05	125.00	4.30	125.00
IV	Bulk Supply				
	i) Government educational Institution	3.75	110.00	4.00	110.00
	ii) Others	4.05	145.00	4.50	145.00
V(a)	Small Industries 25 to 50 kva	2.75	40.00	3.20	50.00
V(b)	HT Industries-I ; 50 to 150 KVA	3.50	100.00	4.00	120.00
	TOD Tariff				
	0600 hrs to 1700 hrs	3.50		4.00	
	1700 hrs to 2200 hrs	5.50		6.30	
	2200 hrs to 0600 hrs	2.85		3.35	
V(c)	HT Industry-II (above 150 KVA)	3.60	140.00	4.00	150.00
		2.90	270.00	3.20	280.00
	TOD Tariff				
	0600 hrs to 1700 hrs	3.60		4.00	
	1700 hrs to 2200 hrs	4.80		5.30	
	2200 hrs to 0600 hrs	3.10		3.50	

VI	Tea, Coffee and Rubber (Season)	3.95	230.00	4.30	240.00
	TOD Tariff				
	0600 hrs to 1700 hrs	3.95		4.30	
	1700 hrs to 2200 hrs	5.50		6.00	
	2200 hrs to 0600 hrs	3.70		4.05	
	Off Season	3.95	40% of contract demand of season	4.30	40% of contract demand of season
VII	Oil and Coal	4.00	270.00	4.30	280.00
	TOD Tariff				
	0600 hrs to 1700 hrs	4.00		4.30	
	1700 hrs to 2200 hrs	5.50		6.00	
	2200 hrs to 0600 hrs	3.85		4.15	
VIII	Irrigation	3.20	40.00	3.50	40.00

Salient Features of Tariff Petitions for FY 2007-08

	LAEDCL	CAEDCL	UAEDCL	Total
MU Purchase	1614.01	1060.02	1201.63	3875.66
MU Sales	1265.38	778.58	860.97	2904.93
% Loss	21.60	26.55	28.35	
BST rate per unit (Differential)- Rs./per unit	2.21	1.63	2.46	2.13
Average Tariff (Rs / kwh)	5.20	5.20	5.20	5.20

13. SALIENT FEATURES OF TARIFF ORDER ISSUED ON 12TH SEPTEMBER, 2007 BY THE AERC FOR 2007-08

- (1) The Assam Electricity Regulatory Commission has approved rise in tariff of 1 to 2% to various categories of consumers against the demand of 19% filed by the Utilities namely Upper Assam Electricity Distribution Company Limited, Lower Assam Electricity Distribution Company Limited and Central Assam Electricity Distribution Company Limited. The new tariff will be effective from 20.09.2007.
- (2) Energy rate for all categories of electricity consumers except Jeevan Dhara category has been increased by 5 paisa without any enhancement of fixed charge.
- (3) There is no increase of tariff for the consumers below poverty line.
- (4) Average tariff was kept at Rs. 4.42 per unit same with last year's tariff.
- (5) Against the sales projection of 2417 MU in 2006-07, the sales projection for 2007-08 is considered at 2905 MU. There will be an increased supply of about 500 MU of energy to the consumers of the State. Due to running of Karbi Langpi Hydro Electric Project, an additional energy of around 400 MU will be made available to the Grid.
- (6) The total T&D loss including Transmission loss has been estimated at 31.15% in 2007-08 which is lower by 2.7% than the previous year.
- (7) A rebate of Rs. 40 per month is given for all consumers who have installed solar water heating systems for meeting their hot water requirements.
- (8) Some concession has been given to domestic category of consumers on connected load by way of taking the higher rating of only one equipment if both Air-conditioner (without heater) and Geysers are installed and used for domestic purpose only.

14. TARIFF SCHEDULE

LT CATEGORY		Existing in Rs.		Approved in Rs.	
I	Jeevan Dhara	2.15	15/ connection	2.15	15/ connection
II	Domestic A upto 5 KVA				
	0-30kwh /month				
	0-120kwh /month /31-120kwh /month	2.75	30.00	2.80	30.00
	121-240/month	3.80	30.00	3.85	30.00
	Balance	4.50	30.00	4.55	30.00
III	Domestic B 5 kw to 20 kw	4.10	30.00	4.15	30.00
IV	Commercial upto 20 kw	4.50	110.00	4.55	110.00
V	General Purpose upto 20 kw	3.95	125.00	4.00	125.00
VI	Public lighting	4.20	120.00	4.25	120.00
VII	Agriculture upto 7.5 hp	2.25	30.00	2.30	30.00
VIII	Small Industries upto 25 kva				
	i) Rural	2.30	30.00	2.35	30.00
	ii) Urban	2.55	40.00	2.60	40.00
IX	Temporary Supply upto 20 kw (minimum charge)				
	i) Domestic	5.50	75.00/kw/day	6.00	75.00/kw/day
	ii) Non Domestic	6.50	120.00/kw/day	7.00	120.00/kw/day
HT CATEGORY					
I	HT Domestic above 25 kva	3.90	30.00	3.95	30.00
II	HT commercial above 25 kva	4.20	115.00	4.25	115.00
III	Public Water Works	4.05	125.00	4.10	125.00
IV	Bulk Supply				
	i) Government educational Institution	3.75	110.00	3.80	110.00
	ii) Others	4.05	145.00	4.10	145.00
V(a)	Small Industries 25 to 50 kva	2.75	40.00	2.80	50.00
V(b)	HT Industries-I ; 50 to 150 KVA	3.50	100.00	3.55	120.00
	TOD Tariff				
	0600 hrs to 1700 hrs	3.50		3.55	
	1700 hrs to 2200 hrs	5.50		5.60	
	2200 hrs to 0600 hrs	2.85		2.90	
V(c)	HT Industry-II (above 150 KVA)	3.60	140.00	3.65	150.00
	TOD Tariff	2.90	270.00	2.95	280.00
	0600 hrs to 1700 hrs	3.60		3.65	
	1700 hrs to 2200 hrs	4.80		4.90	
	2200 hrs to 0600 hrs	3.10		3.15	
VI	Tea, Coffee and Rubber (Season)	3.95	230.00	4.00	240.00
	TOD Tariff				
	0600 hrs to 1700 hrs	3.95		4.00	
	1700 hrs to 2200 hrs	5.50		5.60	
	2200 hrs to 0600 hrs	3.70		3.75	
	Off Season	3.95	40% of contract demand of season	4.00	40% of contract demand of season

VII	Oil and Coal	4.00	270.00	4.05	280.00
	TOD Tariff				
	0600 hrs to 1700 hrs	4.00		4.05	
	1700 hrs to 2200 hrs	5.50		5.60	
	2200 hrs to 0600 hrs	3.85		3.90	
VIII	Irrigation	3.20	40.00	3.25	40.00

15. TARIFF ORDER FOR 2007-08 (Highlights on Cost of Supply)

1. Cost of Supply model was developed in the Tariff Order 2006-07 and costing is done as per the model. Cross subsidy is redefined as per the cost of supply and category wise cross subsidy as below for 2006-07 and 2007-08.

	For FY 2006-07 (Cr)	For FY 2007-08 (Cr)
Jeevan Dhara	7.03	6.41
Domestic A	69.01	56.16
Domestic B	4.16	6.24
H.T. Domestic	1.85	1.32
Total Domestic	75.02	63.72
L.T. Commercial	3.0	1.40
H.T. Commercial	4.66	1.46
Total Commercial	7.66	2.86
General	(-) 9.36	(-) 1.06
Public Lighting	0.22	0.14
Agriculture	0.16	0.05
Small Industries (R)	2.56	1.73
Small Industries (U)	0.46	0.68
Total Small Industries	3.02	2.41
H.T. Public WW	(-) 6.94	(-) 3.78
Bulk Supply (Educational)	(-) 1.52	(-) 1.53
Bulk Supply (Others)	(-) 11.63	(-) 11.43
Bulk Total	(-) 13.15	(-) 12.96
H.T. – Small Industries	0.59	1.64
H.T. – I Industries	(-) 1.72	(-) 1.93
H. T. – II Industries	(-) 11.63	(-) 11.60

Tea, Coffee, Rubber	(-) 45.10	(-) 44.94
Oil & Coal	(-) 4.81	(-) 3.05
H.T. Irrigation	(-) 0.23	1.13

2. Income from trading sale is used as subsidy for subsidised category in absence of any direct subsidy.

Indicators for the future:

- ❖ Based on the cost of supply model introduction of specific change like consumer charge are in offing for further reduction of cross subsidy.
- ❖ Abolition of availability based fixed charge with introduction of similar provisions in Supply Code Regulation.

16. FINANCE AND ACCOUNTS

During the year 2007-08, the Government of Assam provided a grant of Rs. 76,26,025/- (Rupees Seventy Six Lakhs Twenty Six Thousand Twenty Five) only from the budget for meeting the expenses in connection with the functioning of the Commission. The Commission also received Rs. 15,40,723/- (Rupees Fifteen Lakhs Forty Thousand Seven Hundred Twenty Three) only as fee for filing tariff petition from ASEB and its five successor entities. The accounts of the Commission were duly audited. Audit was done by M/s Rakesh Bajrang & Co., CA firm during the last four financial years. The accounts of the Commission for the FY 2007-08 are duly complied and shall be audited.

BUDGET PROVISION FOR 2006-07 : The budget proposed for F.Y. 2007-08 was Rs 1,52, 05000 (Rupees One Crore Fifty Two Lakhs Five Thousand) only, the amounts approved by Government was Rs. 94, 00, 000(Rupees Ninety Four Lakhs) only, and actually released was Rs 76, 26,050 (Rupees Seventy Six Lakhs Twenty Six Thousand Fifty) only.

Figures in Rupees

Year	Budget Proposed	Budget Approved	Budget Released
2006-07	Rs 1, 52, 05000	Rs 94, 00, 000	Rs 76, 26, 050

17. CONCLUSIONS

During the year 2007-08, the Commission received adequate financial and administrative support from the State Government facilitating proper discharge of its various functions and responsibilities. It is hoped that this support will continue during the ensuing year and the Commission would be in a position to consolidate the work done so far and stride further in the electricity regulatory and reform process in the State. The Commission solicits unstinted cooperation of the Government of Assam, the Assam State Electricity Board and successor entities, other licensees and stakeholders including the general public, in realizing the mission of the Commission.

Annexure – I

Un-audited Financial Statements

For

2007-08

ASSAM ELECTRICITY REGULATORY COMMISSION

Income & Expenditure Account for the year ended 31.03.2008

(Unaudited)

Particulars	Sch.	Amount (Rs.)	Particulars	Amount (Rs.)
Office expenses	"E"	5,602,060.00	Grant in Aid from the Govt. of Assam	7,626,050.00
Travelling & Conveyance	"F"	343,797.00	Fees Received from Tariff petitions	1,541,523.00
Electricity Charges		66,448.00	Sale of Publications	3,430.00
Rent		89,861.00		
Other expenses	"G"	782,823.00		
Excess of Income over Expenditure		2,286,014.00		
		9,171,003.00		9,171,003.00

For Assam Electricity Regulatory Commission

Sd/-
(J. Barkakati)
Chairperson

Sd/-
(M. K. Adhikary)
Secretary

Assam Electricity Regulatory Commission

Schedules Annexed to and forming part of Financial Statements

FY 2007-08

Amount (Rs.)

Schedule A : Current Liabilities & Provisions

Sundry Creditors for expenses	314,216.00	
Conusltancy fees payable	23,389.00	
JayKay Impex	10,249.40	
Professional Tax	1,388.00	
Deduction from salary	5,923.00	
GPF Contribution	2,000.00	
Group Insurance Scheme	120.00	
House building loan/Car loan/others	7,790.00	
	<u>7,790.00</u>	365,075.40

Schedule B : Fixed Assets

Air Conditoners	38,093.90	
Ambassador Car	147,808.41	
Canon Fax	9,384.85	
Canon Photocopier	94,381.72	
Computers	197,032.71	
EPBAX System	25,346.46	
Furniture and fixtures	331,726.66	
Inverter	20,003.21	
LAN System	8,959.85	
LCD projector	42,517.56	
Machineries and equipments	950.00	
Maruti Esteem Car	1,018,754.99	
Sharp Fax machine	8,500.00	
UPS System	62,233.98	
Water Purifier (Aquaguard)	4,105.23	
Office Partitions	219,480.45	
	<u>219,480.45</u>	2,229,279.98

Assam Electricity Regulatory Commission

Schedules Annexed to and forming part of Financial Statements

FY 2007-08		Amount (Rs.)
Schedule C : Current Assets, Loans & Advances		
Cash in hand	2,245.60	
Cash at Bank, SBI Dispur Branch	6,081,437.63	
Cash at Bank, SBI Subsidiary Account	50,000.00	
Asian Development Bank-Grant receivable	8,639.40	
Prepaid Insurance	55,799.00	
Prepaid rent	295,364.00	
Security deposits	22,550.00	
Advance against salary	33,500.00	
TA advance	28,385.00	
	<u>6,577,920.63</u>	
Less: Earnest money		
Micro Devices	2,070.00	
North East Products	2,000.00	
TERI	10,000.00	
Less: Others	257.00	
Less: XinMin	<u>(1,643.00)</u>	12,684.00
		6,565,236.63
Schedule D : Investments		
Term deposits with SBI Dispur Branch	2,000,000.00	
Less: Interest credited	<u>148,387.00</u>	1,851,613.00

Assam Electricity Regulatory Commission

Schedules Annexed to and forming part of Financial Statements

FY 2007-08		Amount (Rs.)
Schedule E : Office Expenses		
Advertisement & publicity	48,606.00	
Bank charges	100.00	
Chairperson/Members fuel	71,276.00	
Local conveyance	17,404.00	
Misc. expenses	7,390.00	
Newspapers & books	15,850.00	
Postage	7,985.00	
Printing, binding & photocopy expenses	86,064.00	
Stationery (others)	14,680.00	
Stationery (paper)	23,110.00	
Telephone & fax	110,337.00	
Travelling allowance to Drivers	1,120.00	
Salary, Pay and allowances	3,507,584.00	
Payment for professional and special services	290,185.00	
Advisory Committee meeting	20,667.00	
Coordination Forum meeting	13,997.00	
Electrical equipments & Fittings expenses	800.00	
Office expenses	21,903.00	
Public hearing	11,791.00	
Training & conference	19,060.00	
Wages	27,205.00	
Direction & administration	<u>1,284,946.00</u>	5,602,060.00

Assam Electricity Regulatory Commission

Schedules Annexed to and forming part of Financial Statements

<u>FY 2007-08</u>		Amount (Rs.)
Schedule F : Travelling & Conveyance		
Domestic travel - Chairperson/Members	2,134.00	
Travelling outside Assam - Chairperson/Member	164,211.00	
TA of officers	<u>177,452.00</u>	343,797.00
Schedule G : Other Expenses		
Fuel reimbursement of officer/consultants	56,960.00	
Legal charges	350,615.00	
Contribution to Forum of Regulators	50,185.00	
Contribution to SAFIR	66,000.00	
Consumer Advocacy Cell expenses	11,021.50	
Conveyance allowance to staff	9,942.00	
Telephone bill reimbursement	52,943.00	
Subscription fee account	2,248.00	
RTI	10.00	
Repair & maintenance	34,542.00	
Computer & other consumables	96,147.00	
Fuel for office vehicles	40,927.00	
Hospitality expenses	<u>11,293.00</u>	782,833.50