

**Minutes of the 3rd Meeting of the Coordination Forum
held on 10th February, 2006 at the
Assam Administrative Staff College, Khanapara**

(1) Agenda item no 1 and 2: Welcome and Introductions

The 3rd meeting of the Coordination Forum was held on 10th February 2006 at the Assam Administrative Staff College, Khanapara at 10.30 a.m.

Shri Bhaskar Barua, Chairperson, Assam Electricity Regulatory Commission presided over the meeting.

List of members of the Coordination Forum and officers present in the meeting are appended at **Annexure-I**.

Smt. Neelima Dewri Dutta, Secretary of the Commission welcomed the members. She also introduced Shri Jadab Prasad Saikia Chairman-cum-Managing Director, North-Eastern Development and Finance Corporation (Retired) and Shri Himadri Dutta, Chief Engineer ASEB (Retired) who joined as Members of the Commission on 1st February, 2006 and welcomed the new members of the Commission to the meeting. All members joined in welcoming Shri J. P. Saikia and Shri H. Dutta.

Thereafter the following deliberations were held as per agenda.

Leave of absence was granted to Professor Anil Goswami, Member of the Forum.

The Forum took note that there was no information from the Chairman-cum-Managing Director NHPC, Commissioners and Secretaries of Panchayat and Rural Development, Finance Department and Industries Department, Government of Assam and desired that all members attend the meeting of the Forum considering the important role played by the Forum in healthy development of the Power Sector in the State.

(2) Agenda item no 3: Confirmation of the minutes of the 2nd meeting of the Forum

The Minutes of the 2nd meeting of the Coordination Forum held on 30th July, 2005 already circulated amongst the members, was placed before the Forum for confirmation and the same was treated as read and then confirmed.

(3) Agenda item no 4: Action taken on the minutes of the 2nd meeting of the Forum

A note on action taken on the minutes of the 2nd meeting of the Forum was circulated for information of the members. Detailed discussions were held on the action taken report.

- (a) On the study of Demand Survey, the Principal Secretary, Power Department, Government of Assam, stated that the short term and the long term projection of demand for the state was linked to National Transmission Policy. As the last survey was made by 16th Electric Power Survey conducted in 1996-97, the Demand Survey needs further updating by another survey. The Principal Secretary stated that M/S SMEC International Pvt. Ltd. will prepare an unrestricted annual demand forecast, both for peak demand and energy, for each circle of the three Discoms up to the year 2015. But that forecast has to be backed by another EPS by the CEA for which the Government of Assam is pursuing with the CEA.

The M.D., AEGCL stated that the restricted demand of the state is of the order of 700 MW while the unrestricted one will be much higher for which demand projection up to 2015 is very essential.

The Chairperson of the Commission stated that the state agencies should not be passive receiver of the data prepared by the CEA as part of EPS and they should be proactive in their interaction with the CEA. The Chairperson requested the officers of ASEB and the successor entities to be proactive and have an ongoing interaction with M/S SMEC also so that they do not come out with unrealistic scenario.

The Member Finance, ASEB stated that even for the SMEC survey the ASEB's own study of demand growth may be used to provide better quality of input for the EPS by the CEA. It was therefore felt that as discussed in the last meeting, the ASEB/successor companies should carry out a demand survey.

The Chairperson requested the Principal Secretary Power Department, Government of Assam to take periodic meetings with M/S SMEC, M.D.s of APGCL, AEGCL, UAEDCL, LAEDCL and CAEDCL on the Demand Survey being done by SMEC.

Action : Power Department, Government of Assam, M.Ds/ APGCL, AEGCL, UAEDCL, LAEDCL, CAEDCL

- (b) On the drawal of power from NEEPCO's Power stations by ASEB, the Principal Secretary ,Power Department , Government of Assam , stated that the matter had been sorted out. Executive Director Commercial, NEEPCO Ltd. Stated that an amount 1.8 MM SCMD of gas is required for the 291 MW Assam Gas Based Power Project but only about 1.4 MM SCMD of gas is usually received from Oil India Ltd. He further stated that the original agreement with Oil India Ltd. was for 1.0 MM SCMD which was increased to 1.4 MM SCMD on request. Representative of Oil India Ltd. stated that they had received request for 1.8MM SCMD of gas from NEEPCO which is under their consideration. Executive Director, Commercial, NEEPCO, sought the assistance of the members of the Forum in overcoming the gas supply problem in Assam Gas Based Power Project. The Chairperson requested the representative of Oil India Ltd. to submit a report on the matter at the earliest.

Action : Oil India Limited

- (c) On the issue of supply of additional 0.5 MM SCMD of gas to LTPS, representative of Oil India Ltd. Stated that the gas supply can be made available in December,2006. The Chairperson requested (1) M.D. APGCL to review with the Assam Gas Company on the readiness of the existing pipeline to LTPS to carry the additional gas (2) representative of Oil India Ltd. to examine the feasibility of expediting the work of additional gas supply to LTPS and to submit a report.

Action : APGCL /AERC to pursue with Assam Gas Co. Ltd. and Oil India Ltd.

- (d) On the issue of running of CTPS, M.D. APGCL stated that no positive response was received from the Government on payment of subsidy of Rs.35.00 crore for running of one unit of CTPS. The Principal Secretary stated that a proposal to sanction Rs.2.00 crore for trial run of Turbines at CTPS has been taken up with the Finance Department. The M.D. APGCL stated that a plan for preservation of the units at CTPS has been taken up so that these can be run as soon as possible. On the question of gas supply to CTPS by 2008, in case it is converted into a gas based power station, representative of Oil India Ltd. stated that so far as his information goes, Oil India Ltd, has made no commitment to supply gas to CTPS. However he informed that 0.3MMSCMD

of gas may be allotted to CTPS out of 2 MMSCMD of gas earmarked for Guwahati city.

Shri Abhijit Barua, Member raised his concern about the high cost of power if CTPS is to run. The M.D. APGCL clarified that if Rs.35.00 crore is paid by the Government of Assam as subsidy, the cost of generation at CTPS will come to a little over Rs.3.50 per unit which is around the same price as that of purchased power during the dry months.

- (e) On the issue of unutilized energy of the North Eastern grid due to non receipt of schedule of SLDCs from some states (not Assam), the Principal Secretary, Power Department, , Government of Assam, stated that he had received a letter from NERLDC stating that such energy cannot be rescheduled for the needy states due to technical reasons. The Chairperson requested the Principal Secretary to send a copy of the letter to the Commission for appraisal of the members.

Action : Power Department, Government of Assam.

- (f) On the present power situation, the Principal Secretary Power Department , Government of Assam stated that there is a shortfall of about 150 MW in the state in the lean season. The matter was taken up by the GOA with the Ministry of Power, Government of India and as a result an additional 77MW of power was allotted to Assam by the Ministry of Power, Government of India. ASEB had entered into power purchase agreement with WBSEB and two licensed power traders for purchase of additional 80-100 MW of power at higher cost. However the power traders have not been able to supply the power as agreed by them and hence the matter was taken up with the Ministry of Power for further additional allocation to offset the shortfall
- (g) On the issue of ensuring maximum possible power allocation out of ongoing and future projects of NHPC and other agencies, Principal Secretary stated that the Power Department has taken up with the Ministry of Power for the following allocations for Assam.
- (1) Tripura Gas based Project : 250 MW
ONGC
 - (2) Lower Subansiri NHPC : 600 MW
 - (3) Tipaimukh NEEPCO : 600 MW
 - (4) Kameng NEEPCO : 200 MW
 - (5) BTPS NTPC : 300 MW

The Chairperson complimented the State Government for the proactive role taken for securing the above allotments.

- (h) On the issue of construction of the 220 KV Kathalguri-Tinsukia line, the M.D., AEGCL stated that DONER had sanctioned only one circuit of the line earlier and a revised estimate had been submitted to the DONER for the second circuit of the line for approval.

Shri Abhijit Barua member stated that the power situation in Tinsukia District had not improved even after commissioning of 220KV Kathalguri – Tinsukia line. The M.D., UAEDCL stated that there is definite improvement in the power supply in the Tinsukia District which can be verified from the figures collected from the office of UAEDCL.

The Chairperson requested the M.D., UAEDCL to submit a statement on the power position in the district from October 2005 to January 2006 compared to corresponding period of previous year.

Action : MDs, AEGCL/UAEDCL.

- (i) On the issue of augmentation of Sarusajai Substation, the M.D., AEGCL stated that the third 100 MVA, 220/132 KV transformer will be charged on 15th March 2006 and 31MVA, 220/132mv transformer will be charged in September 2006.
- (j) The M.D. LAEDCL informed that an electronic clearing system (ECS) for payment of electricity bills in the Guwahati city has been introduced and forms are being distributed in the sub divisional offices for submission by 28th February 2006. The Chairperson requested the M.D. to send copies of the forms to the Commission at the earliest.

Action: M.D, LAEDCL

- (k) On the status of shutdown of generation units during winter, Executive Director (Commercial) NEEPCO informed that emergency shutdown of 3 units of Khandong and Kopili were taken which will come to grid by end of February.
- (l) The Executive Director, Commercial, NEEPCO drew the attention of the members that the gas based power project at Tripura proposed by NEEPCO has been stopped by the Power Ministry. M.D. AEGCL informed that a 740 MW gas

based power project proposed by ONGC in Tripura with associated 400 KV line and 400KV substations at Guwahati and Srikona is on the anvil, it is learnt, and that may be the reason why the project proposed by NEEPCO had been stopped.

- (m) M.D., APGCL informed that after prolonged discussion M/S BHEL had accepted a price of Rs.195 crores for supply and construction of 39 MW Lakwa Waste Heat Project.
- (n) On high failure rate of distribution transformers (DTR), M.D., CAEDCL stated that failure rate of DTRs in town areas is comparable to all India levels while in rural area it is much higher than all India levels due to factors like (1) unbalanced load,(2) single phase load, (3) low level of transformer oil, (4) improper maintenance, (5) lack of protection on LV side (6) poor quality of transformer, (7) overload of etc. He stated that 5593 new transformers have been procured with breakup as follows:

(1)	Chief Minister's Programme -	3150
(2)	APDRP -	2397
(3)	NLCPR -	46
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	Total -	5593

He further stated that under the Chief Ministers Programme, 80% of the transformers have been installed and balance are under installation. The target for installation of transformers under APDRP Programme has been extended up to August 2006 while all transformers under NLCPR have been installed .

The Chairperson stated that having to follow the APSP Act for purchase of DTRs does not mean that low quality transformers should be purchased. M.D., CAEDCL stated that a number of steps have been taken for procuring best quality DTRs such as

- (1) laying stringent specifications
- (2) specifying new design standards
- (3) testing during assembly- suppliers are to conduct type tests at Central Government laboratory and submit the report
- (4) strict inspection and testing by utility staff.

Shri Abhijit Barua stated that the standard of construction work in the distribution utilities should be improved by strictly monitoring the quality of execution at different levels.

The Executive Director (NER) Power Grid Corporation of India stated that the implementation programme of the APDRP works in Assam is not up to the mark and sequencing of procurement under APDRP is not properly planned.

The Member (Finance) ASEB stated that as consultant and supervisor of APDRP Works in ASEB, M/S Power Grid Corporation of India ought to see that the project management is proper and the supervision is up to the mark.

The Chairperson stated that it is desirable that the relationship between the ASEB and the Power Grid Corporation of India Ltd. should be one of partnership with constant, frequent, productive and fruitful interaction so that things can improve. The Chairperson also stated that the Commission propose to involve consumer groups in zero failure schemes, and other schemes approved under the Development Fund so that constant feedback may be received on the implementation of schemes.

Agenda item 5

A review of the status of overall power supply in the state during the last three months i.e. November 2005, December 2005 and January 2006.

- (A) Additional Chief Engineer, SLDC, Kahilipara submitted a detailed status report of power position during the above 3 months which had already been circulated amongst the members.

M.D., AEGCL stated that the system demand at peak is 720 MW and at off peak is 520 MW. He stated that even after taking all steps to procure additional power as detailed above by the Principal Secretary, the power traders failed to supply full power as per agreement and as a result shortfall of power to the tune of around 225MW during peak and around 80 MW during off time has been experienced . As a result, load shedding of different durations all over the state had to be resorted to. The Chairperson stated that such a situation had arisen due to the dependence of Assam on outside sources for supply of about 80% of its power requirement. The Chairperson requested the Member (Finance), ASEB and M.D., APGCL to take steps for increasing generation from existing units of APGCL and also for establishing new projects under state sector.

Action : Chairmam ASEB/M.D,APGCL

- (B) The M.D.AEGCL informed that on the average there was a transformation constraint of 50 mw in November and December 2005 which decreased to 20MW in January 2006. He further informed that the constraint will be removed after the commissioning of the Balipara substation of ASEB which is expected by December 2006.

The Chairperson observed that the expected sale of power projected by the ASEB at 2155MU for 2005-06 is comparable to the expected sale of 2203 MU projected in the Tariff Order for 2005-06.

The M.D, APGCL taking part in the discussion stated that even though the installed capacity of Adamtila and Baskandi plants of DLF is 24.5MW, the generation from these plants is of the order of 13-15 MW due to shortage of gas as stated by DLF. The representative of ONGC stated that the production of gas from their Silchar Oilfields is around 1.2 lakh meters/day which should be sufficient for generation of 25MW of power.

The Chairperson requested the M.D.APGCL to take up with the Assam Gas Company Ltd. the issue of supply of sufficient quantity of gas to DLF plants.

Action : M.D, APGCL.

- (C) The Member (Finance) ASEB brought to the notice of the Forum that the power traders failed to supply full power as per agreement and as a result a situation of shortfall of power to the tune of around 225 MW during peak time and around 80MW during off time has arisen.

The Chairperson suggested that the following actions should be taken up to meet the shortage of power

- (1) Penalties should be imposed on the power traders for failure to supply contracted power.
- (2) Gas supply should be stepped up to gas based power plants such as AGBPP, LTPS, etc.
- (3) Feasibility of banking of power may be explored.

Action : Chairman, ASEB / MDs APGCL / AEGCL

Agenda item no 6.

Status of generation system under state sector and ongoing projects.

The M.D. APGCL stated that all efforts are being made to dry run one unit of the Karbi Langpi Hydro Electricity Project by June 2006 and that the construction of the

transmission line for evacuation of power from Karbi -langpi Project is progressing well and will be completed by May, 2006.

He further stated that offer will be made to M/S BHEL for construction of 39 MW Lakwa Waste Heat Project within a few days and the project is expected to be completed within three years.

The M.D. APGCL also informed that the cost of generation from CTPS without Government subsidy is Rs.7.07/unit which will be Rs.3.68/unit with subsidy. He further informed that the weighted average cost of generation of APGCL plants will be Rs. 1.99/unit including the CTPS power with subsidy

The Chairperson requested the M.D. APGCL to work out the weighted average cost of generation without subsidy and submit a report to the Commission at the earliest.

On future projects the M.D., APGCL informed the Forum that

- (1) The Board of APGCL approved a plan for 235MW Gas based project at Namrup with higher conversion efficiency which will replace the present NTPS. Around one MMSCMD of gas will be required for the project.
- (2) Another 200 MW Gas based project was planned at Namrup as a joint venture project with Oil India Ltd.
- (3) A 2X120MW coal based project was planned at Borgolai.
- (4) The Government of India has decided that NTPC would set up a new 500 MW Power station at the existing location of BTPS. NTPC informed that the revival of existing units of BTPS is economically not viable though it is technically feasible. The new Power Plant will be based on Flue Gas De-sulphurisation (FGD) technology using Assam coal. The cost of generation is stated to be Rs 3.74 per unit. The preliminary project works like preparation of feasibility study/Detailed Project Report etc has been taken up by NTPC .The foundation stone for the new project was laid by Prime Minister of India in January, 2006.
- (5) The proposal for the Lower Kopili Project has been sent to the State Cabinet for approval.

Agenda No. 7

Review of status of Transmission System and on-going projects

- (1) Chairperson stated that as the Intra State ABT will be effective from Ist April,

2006 as per guidelines of National Tariff Policy of Government of India, and ASEB and the successor Companies have to make a firm schedule of works necessary for introduction of Inter state ABT.

- (2) On the issue of rampant theft of conductors in the 220 KV Agia Sarusajai line, Chairperson regretted that the actions taken so far have not yielded good results and so he urged officers of AEGCL and Government of Assam to pursue the matter more seriously. He requested the M.D. AEGCL to submit a report on the actions taken on the matter within three weeks time.

Sri Abhijit Baruah suggested that private security agencies may be deployed to guard the line.

Action : M.D, AEGCL

- (3) Power situation in Sibsagar

On a query by Sri Abhijit Baruah about the power situation in Sibsagar District, M.D., AEGCL stated that it will require one year for commissioning of 132/33 K.V. substation at Sibsagar which is a part of ADB's Contract Package for Transmission Projects.

- (4) On the ongoing transmission Projects under Central Sector in the North Eastern Region, E.D.(NER), PGCIL was requested by the Chairperson to submit a report within three weeks time. He is also requested to indicate the line losses of the individual transmission lines owned by PGCIL in the region.

Action : E.D.(NER), PGCIL

Agenda No. 8

Review of status of Generation under Central Sector and ongoing projects

E.D (Commercial), NEEPCO stated that there are 3 ongoing projects undertaken by NEEPCO which are as follows:

- 1) Kameng H.E Project: 600 MW
- 2) Tipaimukh H.E Project; 1500 MW
- 3) Turial H.E Project : 60 MW

Chairperson requested him to submit a report on the ongoing projects indicating the expected cost of generation, share of Assam and expected dates of commissioning of the projects.

Action: E.D (Commercial), NEEPCO

Agenda No. 9

Review of status of Revenue Realisation and of Computerised Billing

- (1) The performance of the three distribution companies was reviewed in the meeting. It was observed that for the period from September, 2005 to December, 2005, there has been marginal improvement of Average Revenue Realisation for the 3 distribution companies mainly due to reduction of commercial losses.
- (2) MD, UAEDCL and LAEDCL stated that the Government of Assam had authorized the Additional Deputy Commissioners of the Districts for exercising the power of search and seizure in case of theft of electricity. This had created problems in dealing with cases of theft as the ADCs cannot spare time for such work. He stated that matter of authorizing Divisional Engineers and above for exercising the power of search and seizure has been taken up with the Government of Assam. Chairperson, AERC, requested the Power Department, Government of Assam, to expedite the matter.

Action : Power Department, Government of Assam

- (3) MD, UAEDCL stated that around 6000 drives had been conducted for disconnection for nonpayment of revenue dues, but it is found that only about 50% of the disconnected consumers are coming for reconnection and rest are indulging in theft of energy. He further stated that the field officers are instructed to register theft cases against them with the police. Chairperson, AERC stated that field officers should be penalized for such rampant theft of electricity as it is obvious that without their collusion such thefts cannot continue on a large scale. He requested MDs of the three Discoms to submit a report within 3 months on the action taken against field officers for suspected collusion in theft cases.

Action : MDs of Discoms

- (4) Member (Finance), ASEB, stated that while reviewing the gap between expenditure and income of the three Discoms for the last few years, it has been seen that the gap is decreasing as below.

<u>Year</u>	<u>Gap between Income & Expenditure</u>
(1) 2003-04	Rs. 13 Crore / month
(2) 2004-05	Rs. 8 Crore / month
(3)2005-06 (up to January, 2006)	Rs. 3 Crore / month

- (5) On use of Spot Billing Machines (SBM), it is observed that these are not extensively utilized in the 3 Discoms for want of software. Chairperson requested the MDs of Discoms to put SBMs into operation with a greater sense of urgency. He also requested them to see whether collection of A/c payee cheques can be made by Meter Readers using SBMs.

Action : MDs of Discoms

- (6) On computerization of billing, the meeting noted the progress made by the three Discoms so far. On a query by Chairperson as to the date on which no non-computerised bill will be served on the consumers, MD, UAEDCL stated that December, 2006 is the target for full computerization of billing in the 3 Discoms.

Action : MDs of Discoms

- (7) Sri Abhijit Baruah stated that it is very important to see that the data collected from the meters installed at 11 KV feeders are utilized for improving revenue efficiency. He also stated that the revenue statement submitted by Additional Chief Engineer (Commercial) should include figures for corresponding period of last year. He also urged the MDs of the Discoms to give due attention to the 20% of consumers who give 80% of the revenue collected.

MD, UAEDCL and LAEDCL, stated the following:

- (i) Already meters are installed in 760 11 KV feeders and installing meters on Distribution Transformers is going on. Discoms are working on an incentive scheme whereby each Sub-Division, Division and Circle will be

evaluated against targets for collection efficiency, billing efficiency, number of new connections etc and rewarded periodically based on the results.

- (ii) The other two points raised by Sri Baruah are noted for necessary action.

Chairperson requested MDs of the Discoms to submit a report indicating full details of the top 20 consumers of each Discom including names, consumption, revenue for last 3 months. **Action : MDs of Discom**

Agenda No. 10

Review of status of Grievances Redressal Mechanism

Chairperson gave an overview of the activities of the Consumer Advocacy Cell of the Commission. Sri J. P. Saikia, the new Member of the Commission stated that it has come to his notice that receipts are not enclosed with bills for the subsequent month in cases where cheques are deposited in Drop Boxes installed in different places. Chairperson requested the MDs of the Discoms to give a report indicating how many cheques have been received in drop boxes and how many receipts have been sent with subsequent period bills since the scheme has been started.

Action : MDs of Discom

Agenda No. 11

Any other Matters

The vote of thanks was offered by Shri Anuj Goswami, Deputy Director (Engineering) of the Commission.

In conclusion, Chairperson stated that this is his last meeting as he will retire this month and thanked all the members for their guidance and leadership. He also expressed his gratitude to the officers of ASEB and Successor Companies and Staff of AERC for their valuable contribution in holding the three meetings of the Coordination Forum during his tenure.

Sd/-(Shri H. Dutta)
Member, AERC

Sd/-(Shri Bhaskar Barua)
Chairperson, AERC

Sd/-(Shri J. P. Saikia)
Member, AERC

ANNEXURE – I**List of Persons attending the 3rd Meeting of Coordination Forum held on 10th February, 2006**

- 1) **Shri Bhaskar Barua, IAS (Retd.)**, Chairperson, AERC
- 2) **Shri J. P. Saikia**, Member, AERC
- 3) **Shri H. Dutta**, Member, AERC
- 4) **Shri S. K. Srivastava, IAS**, Principal Secretary to the Government of Assam, Department of Power
- 5) **Shri P. Basumatary**, Member (Finance), Assam State Electricity Board
- 6) **Shri P. K. Borthakur, IAS**, MD, UAEDCL & LAEDCL
- 7) **Shri M. R. Karmakar**, Executive Director (Commercial), NEEPCO, Shillong
- 8) **Shri A. K. Singhania**, DGM (P), ROBI, ST, ONGC, Nazira
- 9) **Shri N. C. Deka**, MD, AEGCL
- 10) **Shri A. K. Bora**, MD, APGCL
- 11) **Shri M. S. Ali**, C.E. (Elect.), Oil India Limited, P. O. Udayan Vihar, Guwahati – 781171
- 12) **Shri R. Goswami**, C.E. (P / Line), Oil India Limited, P. O. Udayan Vihar, Guwahati – 781171
- 13) **Shri U. K. Goswami**, MD, CAEDCL
- 14) **Shri A. Chakravarty**, Deputy Secretary to the Government of Assam, Food and Civil Supplies Department
- 15) **Shri I. S. Jha**, ED (NER), Power Grid Corporation of India, Shillong
- 16) **Shri V. Shekhar**, AMP, Power Grid Corporation of India, Shillong
- 17) **Shri P. C. Bhagwat**, Chief Manager, Power Grid Corporation of India, Shillong
- 18) **Shri R.L. Duara, Joint Secretary, Power Department, Government of Assam**

List of Officers of AERC present :

- 1) **Smti Neelima Dewri Dutta, ACS**, Secretary
- 2) **Shri M. K. Adhikary**, Joint Director (Tariff)
- 3) **Shri Anuj Goswami**, Deputy Director (Engineering)
- 4) **Shri S. N. Kalita**, Deputy Director (Finance)