

**MINUTES OF**  
**THE STATE ADVISORY COMMITTEE MEETING OF**  
**ASSAM ELECTRICITY REGULATORY COMMISSION**  
**HELD ON 18.02.03**

First meeting of the State Advisory Committee held in the office of the AERC with the members present as per the enclosed list has discussed the following points:

- 1.0** At the outset, the Chairperson, AERC who has chaired the meeting narrated the objectives of the formation of the Committee and requested the members to deliberate upon ASEB's tariff petition for 2002-2003 with special reference to the "Concept Paper on Tariff" as the main agenda prepared and circulated by the Commission.
- 2.0** Member (Finance), ASEB who participated in absence of the Chairman, ASEB has intimated about ASEB's current performance scenario as follows:
- i) So that the burden of past liabilities on account of power purchase and fuel purchase cost is not passed on to the consumers, Govt. of Assam (GOA) has agreed to take over the liability of an amount of about Rs. 1400.00 Cr. under Govt. of India's Scheme of Securitisation of Past dues of CPSUs.
  - ii) In order to isolate loans to become a part of the present and future tariff, ASEB has received assurances from GOA to set off above loan etc. against receivables from GOA.
  - iii) Current dues on account of power and fuel purchases are cleared w.e.f. 1.07.02 regularly, based on merit order purchases by ASEB.
  - iv) For improvement of PLF of NTPS, PFC has agreed to provide loan for short term R & M.  
PLF of LTPS will also increase as soon as more gas will be available on diversion from Amguri Project.
  - v) Conversion of unmetered to metered consumers is under way, which will boost revenue collection.
  - vi) Improvement of metering & billing and resorting to legal action against illegal drawal of energy being some of the steps taken up by ASEB on priorities.
  - vii) There will not be any unplanned extension of system for RE work to contain T & D losses.
  - viii) The implementation of above steps have already helped in bringing down the cash loss by Rs. 130.00 Cr. compared to last year.
- 3.0** (i) Dr. Jayanta Madhav in his deliberation has stressed the need for electricity business to thrive and become affordable by all the

consumers. He said that ASEB must have credible and acceptable road map, and it must demonstrate to all the consumers, particularly the Industries, that plan for increasing efficiency of the system and organisation has already set in motion. There is no question of allowing 3% ROR unless ASEB improve their performance noticeably.

- (ii) ASEB should frame up policy for the growth of industrial and agriculture sectors, because Assam is neglected in industrial sector, and progress in Agriculture Sector is minor.
- (iii) Commission has been urged upon to fix performance Bench Mark so that over a period cost of supply comes down.
- (iv) Consumers should not be burdened anymore with the past inefficiency of ASEB.

**4.0** Shri D. Kakoty of ABITA has emphasized on the following issues:

- (i) Ground level perceptible improvement efficiency to reduce cost before any revision of tariff is allowed.
- (ii) Very erratic power supply condition coupled with poor quality of supply have hard hit the Tea Industries when there is stiffer competition for survival. This has made them to opt for costlier option of relying on Diesel Generator Sets.
- (iii) Proper classification and interpretation of connected load, contracted load, rationalisation of power factor penalty and rebate, revision of Term & Condition of supply.

**5.0** Shri A. Barooah of FINER has made the following observations:

- i) Benchmarking ASEB's performance level with National average. So long it is not achieved, the burden of imprudent cost must not be passed on to the consumers.
- ii) Supreme Court's judgements are also to be considered while allowing revision, so that they are not challenged in the Court.
- iii) Night time tariff should be introduced @ 60% of the average peak rate to flatten load curve.
- iv) Voltage based tariff should be implemented, so that consumers drawing power at higher voltage get benefit of lower T & D losses.
- v) Power Factor rebate and penalty should be fixed more rationally.
- vi) In order to promote sales and ensure higher revenue return, peak hour restriction should be withdrawn.
- vii) Since factories are drawing power to lighting only during peak load restriction period, they must not be charged with Peak period tariff applicable to industries.
- viii) Supreme Court judgment in 3<sup>rd</sup> October, 2002 was referred as the land mark judgement regarding interpretation of ERC Act and manner in which it is to be implemented while determining the Tariff.

**6.0** Smti Lily Das of Grahak Suraksha Samstha has urged upon the need for an awareness campaign for the rational use of electricity so that it can be

conserved. She also pointed out about gross misuse of electricity in Govt./Semi-Govt. Organisations.

- 7.0** Shri A. K. Baruah of All Assam SSI Association is of the view that since CTPS & BTPS are not running, and huge pool of manpower is lying idle, they should be redeployed in a need based manner.
- 8.0** Shri B. P. Bakshi, Chairman, All India Manufacturer's Organisation, Tinsukia has deliberated on the following issues:
- i) Drawing up of road map for ASEB's performance improvement
  - ii) Transparency about the correct application of connected load and contracted demand so that consumers are not harassed by their wrong application and interpretation
  - iii) To educate the consumers about the need to maintain the system.
  - iv) Rational use of electricity to bring down Peak Demand
  - v) Not to impose tariff at Peak Rate, when industries are only drawing power for lighting load during Peak Period
  - vi) Minimum charge should be levied rationally and should not be levied arbitrarily whenever ASEB failed to maintain power supply
  - vii) Training should be imparted to the lower level staff to change their mindset so that they are consumer friendly.
  - viii) Energy audit must be implemented without delay.
- 9.0** Meeting concluded with a vote of thanks.

**Sd/- N. Barua**  
Chairman  
State Advisory Committee  
Assam Electricity Regulatory Commission

**Members Present**

1. Shri N. Barua, Chairperson, AERC
2. Dr. Jayanta Madhav, Economist
3. Shri Abhijit Barooah, President, FINER
4. Shri Atulananda Goswami, Grahak Gosthi
5. Smti. Lily Das, President, Grahak Suraksha Samstha, Guwahati.
6. Shri A. K. Baruah, President, All Assam SSI Association, Bamunimaidam, Guwahati.
7. Shri B.P. Bakshi, Chairman, All India Manufacturer's Organisation, Assam State Board, Tinsukia.
8. Shri D. Kakati, Secretary, ABITA, Guwahati.
9. Shri N.N. Sharma, Chairman, ABITA, Guwahati.
10. Shri Pinuel Basumatary, Member (Finance), ASEB, Bijulee Bhawan, Paltan Bazar, Guwahati – 781 001.