

**MINUTES OF THE MEETING OF THE 5TH STATE ADVISORY
COMMITTEE OF ASSAM ELECTRICITY REGULATORY
COMMISSION HELD ON 2ND JULY, 2004**

The meeting of the State Advisory Committee held in the Conference Room of Assam Electricity Regulatory Commission with the members present as per the enclosed Annexure has discussed the following points.

Shri Nilamani Barua, the Chairperson, Assam Electricity Regulatory Commission, who chaired the meeting, welcomed the participants and invited views and advice from the members on the following draft Regulations, prepared under the provisions of the Electricity Act, 2003, which were circulated to the members earlier.

1. Assam Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004
2. Assam Electricity Regulatory Commission (Conduct of Business) Regulations, 2004
3. Assam Electricity Regulatory Commission (General Conditions for Distribution Licensee) Regulations, 2004
4. Assam Electricity Regulatory Commission (Treatment of income of Other Business of Transmission and Distribution Licensees) Regulations, 2004
5. Assam Electricity Regulatory Commission (Intra-State Electricity Trader) Regulations, 2004
6. Assam Electricity Regulatory Commission (General Conditions for Trader Licensee) Regulations, 2004
7. Assam Electricity Regulatory Commission (General Conditions for Transmission Licensee) Regulations, 2004
8. Assam Electricity Regulatory Commission (Assam Advisory Committee) Regulations, 2004
9. Draft salient features of Annual Revenue Requirement for FY 2003-04 and FY 2004-05 submitted before the Commission by ASEB.

Deliberations held on the above nine draft Regulations and views expressed by the participants are as follows :

1.0 Assam Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004 :

- 1.1 Chairman, All India Manufacturers' Organisation (AIMO) while referring section 4.2 has stated that the consumers with connected load of 1.0 MWatt and above be given priority of allowing access by 1 April, 2007, while the other consumers with connected load of 5 MWatt and above by 1 April, 2008, because those consumers of 1.0 MWatt and above suffering due to poor power supply conditions.

He also wanted that further amendment of Section 4.3 to the extent that by April' 07 the open access be allowed upto 5.0 MWatt and above 5.0 MWatt April' 08 to ensure broader coverage of consumers.

- 1.2 (a) Representative of FINER wanted the logic behind considering the years 2007 and 2008 being the timing for open access for wheeling different contracted energy, and not from immediate effect.
- (b) FINER is of the view that there should be provision for giving preference of open access to the bigger consumers, which serves as an encouragement for investment, thereby improves the investment climate.
- (c) FINER also urges AERC not to allow ASEB to dictate terms & conditions for deferring open access implementation on the ground of their inadequate network availability indefinitely when Central Sector Generating Stations are willing to supply power to the consumers. There should be endeavour to explore as to how quick the open access be implemented.

- 1.3 The representative of ABITA has welcomed the implementation of open access and to be done immediately.

ABITA is of the view that the time frame for implementation of open access stipulated in the draft should not be changed. However, any modification in time frame deemed necessary as per the ground reality should be left to the wisdom of the Commission.

- 1.4 Dr. P. K. Bordoloi of Tezpur Central University has expressed apprehension about the capability of the present network to fulfill the requirement of open access. This should be examined and improved upon wherever necessary within the scheduled time frame stipulated in the Regulation before implementing open access by the utilities.

- 1.5 (a) Representative from ASEB informed that the implementation of open access be deferred for the time being, as the present network capacity is not adequate. It requires sometime to make improvement. Moreover, within 2-months, unbundling would take place, which is to be kept in consideration.
- (b) ASEB also pointed out the constrain for open access in absence of real time energy metering. Without this arrangement, SLDC responsible for coordinating and monitoring grid operation would find it difficult to monitor real time power flow condition under open access.

2.0 Regulation on Conduct of Business' 2004 :

There was no deliberation.

3.0 Regulation on General Condition of Distribution Licensees' 2004 :

- (a) There was no general deliberation excepting discussion on the observation made by ASEB in their reply to the draft. As per the observation, ASEB wanted that the role of the Electrical Inspectorate be explained specifically in Clause 7.3 under "provision of information to the Commission".

But the Commission has clarified that it cannot define the role of the inspectorate on its own. It is entirely upto to the Govt. to define.

- (b) Sri A. Goswami of Grahak Gosthi wanted to know if the Commission has got the authority to monitor expenditure on different heads incurred by ASEB.

He also wanted to know if the Commission can assess the loss level objectively. It was clarified that in the last tariff order ASEB was asked to submit monthly circlewise loss level. But for want of 100% metering neither ASEB could submit loss correctly nor AERC could determine exact level of loss.

Sri Goswami also raised about the authority of AERC to monitor the state of idle assets lying in ASEB and their valuation.

4.0 Regulation on "Treatment of Income of other businesses of Transmission and Distribution Licensees' 2004":

No deliberations.

5.0 Regulation on "Intrastate Electricity Trader' 2004":

It is clarified that the enforcement of the provisions of this regulation is under the scope of AERC, while to that of interstate matters is under the scope of CERC.

There is no further deliberation.

6.0 Regulation of "General Conditions of Trader Licensee' 2004" :

No deliberation.

7.0 Regulation on "General Conditions of Transmission Licensee' 2004" :

No deliberation.

8.0 Regulation on "Assam State Advisory Committee' 2004" :

- 8.1 (a) Chairman, AIMO wanted an amendment in Section 3.2 in the Constitution of Committee in the manner that if there is any delay in the nomination of the Members, the Old Committee should be allowed to continue until constitution of the new committee.
- (b) In the Section 5.1 under "Proceedings of the Committee" he wanted a provision to be added that "the minutes of the meeting be sent to all members".

9.0 Draft salient features of Annual Revenue Requirement (ARR) for FY 2003-04 and FY 2004-05 submitted by ASEB before the Commission :

- 9.1 (a) The representative from ABITA wanted to know if ASEB submitted required informations / datas on T & D losses to AERC as per the instruction in the Tariff Order.
- (b) ABITA requested to link up Fixed Charge with the availability.
- (c) Tariff implementation should be prospective.
- (d) ABITA advocated for the introduction of KVA Hour based tariff.
- 9.2 (a) The representative from FINER wanted to know if ASEB has submitted circlewise monthly datas on T & D losses before the Commission.
- (b) FINER also of the view that extra burden; if any, on account of delay in Tariff petition submission by ASEB on the plea of restructuring should not passed on to the consumers.

9.3 (a) Chairman, AIMO wanted to know from ASEB if there is any strategy drawn to improve efficiency in service and quality of power. He has further requested AERC to urge upon AEB to submit plan for improvement, since ASEB has not complied the directives of AERC in the last tariff for several improvemental measures. He requested AERC for strict monitoring on the performances of ASEB.

(b) AIMO also insisted that the Commission must scrutinize the details of energy purchase cost incurred by ASEB on merit order basis.

Further, the justification of raising deemed generation bill by DLF needs to be properly checked, and no avoidable cost on account of this should be passed on to the consumers.

(c) In ARR, ASEB has shown reduction of T & D loss progressively over the years. AIMO wanted to know that when there is no change in ground situation, how T & D loss could come down on its own? Such explanation should be verified by the Commission.

9.4 Sri A. Goswami from Grahak Gosthi wanted to know as to whether rise of power purchase cost by 10% is attributable to more quantum of power purchase or rise in the cost of power.

9.5 The representative from ASEB stated that the Commission has allowed part of the fixed cost recovery through the Fixed Charge in the Tariff. Now if it is linked up with the power availability, the fixed charge will further go down amounting to further loss to ASEB.

ASEB confirmed that there is 100% metering of all H.T. Consumers. ASEB also confirmed that static meter with provision for measuring availability of power have been installed in almost all industries and Tea Consumers with connected load above 100 KW.

10.0 The meeting concluded with a vote of thanks.

Chairman
State Advisory Committee
Assam Electricity Regulatory Commission

ANNEXURE

Members Present :

1. Sri D. Kakati, *Secretay, ABITA*
2. Sri B. P. Bakshi, *Chairman, AIMO, Tinsukia*
3. Sri S. D. Lahkar, *Representative, FINER.*
4. Dr. P. K. Bordoloi, *Prof. & Head, Deptt. of Energy, Tezpur University*
5. Smti Lily Das, *President, Grahak Suraksha Sanstha, Guwahati.*
6. Sri A. N. Goswami, *Representative of Grahak Gosthi, Zoo-Narengi Road, Guwahati*
7. Sri S. Kakati, *Member (Tech.), ASEB, Representative, ASEB.*