

**Minutes of the 16<sup>th</sup> Meeting of the State Advisory Committee of the Assam  
Electricity Regulatory Commission held on 19<sup>th</sup> December, 2012  
at NEDFi House, Ganeshguri, Guwahati.**

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Members present are as per list at Annexure – I.

At the beginning Shri M.J. Baruah, Secretary, AERC, welcomed the members present and expressed hope that the deliberations during the course of the meeting would be interactive and effective. The Chairperson, AERC, Shri J. Barkakati was then requested to preside over the meeting.

Chairperson, AERC once again welcomed the members and stated the objectives /responsibilities of the State Advisory Committee as mandated by Section 87 and 88 of the Electricity Act, 2003 which are mainly to advise the Commission on major questions of policy, matters relating to quality, continuity and extent of service provided by the licensees, protection of consumer interest, electricity supply and overall standards of performance by utilities. The members were updated on the developments that took place after notification of the AERC [Fuel and Power Purchase Price Adjustment (FPPPA) Formula] Regulations 2010 which permits APDCL to recover FPPPA charges from all categories of consumers so as to mitigate any hardship on account of sudden increase in fuel and power purchase prices. It was stated that APDCL imposed FPPPA charge of 69 paise per unit w.e.f. 01.08.2011 to 30.04.2012 followed by 76 paise w.e.f. 01.05.2012 to 31.10.2012 and 103 paise w.e.f. 01.11.2012 to 31.01.2013. It was informed by the Chairperson that AERC after scrutiny of the claims filed by APDCL, approved FPPPA charges of 69 paise on energy consumption for the quarter April, May and June 2011 w.e.f. 01.08.2011 to 31.10.2011, 65 paise for quarter July to September 2011 w.e.f. 01.11.2011 to 31.01.2012 and 103 paise for the quarter October to December w.e.f. 01.02.2012 to 30.04.2012 subject to final adjustment on audit of Annual Accounts of the APGCL and APDCL for FY 2011-12 for a total recovery of Rs 263.98 Cr in 9 months. It was informed that the factors leading to levy of this FPPPA charge were due to the following reasons:

- i) State and Central Sector less power availability during lean hydro period – It was stated that as on 16<sup>th</sup> November, 2011 against Assam's share of 611 MW, the Central Sector Generators could provide only 425 MW leading to a shortfall of approximately 190 MW.
- ii) To make up for the peak shortages prevailing in the system, APDCL had to procure power from NTPC which shot to as high as Rs 5.36 per unit during October 2011.

- iii) Differential cost on account of fuel on generation by the State Generator, APGCL
- iv) PGCIL past arrear bills.

The Chairperson stated that the increase in distribution loss to 26.33% during FY 2011-12 against approved loss of 20.60% is a matter of concern for the Commission. It was stated that actual distribution loss during FY 2010-11 was 25.44%, which was also higher than the approved loss of 21.60%.

The Chairperson informed that one of the main objectives of the Commission is to ensure supply of reliable, quality power at reasonable rates and the key to this lies in making the distribution segment of the industry efficient and financially secure. It was stated that the Regulatory Commission needs to strike the right kind of balance between ensuring commercial viability of distribution licensees and protecting consumers' interests. The Chairperson stated that the FPPPA charges were approved so as to prevent tariff shock to the consumers at the time of tariff determination. The Chairperson suggested that in order to overcome power shortages and offset high power purchase cost, the Distribution Company should relentlessly try to procure a share of the unallocated power available with the Government of India. It was further suggested that the Company should follow the Ministry of Power Guidelines dated 15.05.2012 while making short term power purchases.

The members present were urged to take active part in the deliberations and to offer valuable suggestions and advice to the Commission. The Chairperson then took up the Agenda for the meeting item-wise.

**(1) Agenda Item No. 1: To confirm the Minutes of the 15th Meeting of the State Advisory Committee held on 17.02.2012.**

The minutes of the last meeting of the Advisory Committee held on 17.02.2012, was placed before the Committee for confirmation. The minutes of the 15<sup>th</sup> meeting were accepted and confirmed.

**(2) Agenda Item No. 2: Action taken on the Minutes of the 15<sup>th</sup> Meeting of the State Advisory Committee held on 17.02.2012.**

The detailed action taken reports on the minutes of the last meeting were submitted by the APGCL, AEGCL and APDCL to the Commission for information. Copies of the same were also distributed among the members in the meeting. The deliberations that

took place on these minutes regarding action taken by the licensee (APDCL) are briefly recorded below:

Going through the last minutes of the meeting where Shri Khosla, the Additional Chief Secretary, Power, Government of Assam suggested that Time of Day (TOD) categories may be introduced for various consumer categories, Chairperson AERC informed that presently three tier TOD Tariff was applicable to four category of consumers namely HT-I Industries, HT-II Industries, Tea Coffee & Rubber and Oil & Coal categories. It was informed that the Commission was contemplating on extending the number of TOD categories in the coming years.

On the issue of operationalisation of Open Access, it was informed by the Chairperson that APDCL had submitted the forms for application, scheduling of Open Access to the Commission on 13.12.2012. It was informed that a Public Notice was issued by the Commission on 30.05.2012 inviting comments from stakeholders and so far four stakeholders have submitted their comments and these are:

- i) Tripura Electricity Regulatory Commission
- ii) Indian Energy Exchange Limited
- iii) Federation of Industries and Commerce, NER
- iv) Tata Power Trading Company

It was informed by the Chairperson that Public hearing on this issue will be held soon.

Regarding application of e-governance for addressing consumer grievances in a faster and more efficient manner, the Chairperson informed that APDCL has engaged a Consultant, M/s Price Waterhouse Coopers Private Limited, in implementing revenue protection measures through IT based tools and introduction of High Value Consumer Management System (HVCMS). On the status of DTR metering, Chairperson informed that as per report submitted by APDCL on 14.12.2012, of the total 15,888 DTRs in Lower Assam Zone, 8420 were defective DTR meters/ unmetered DTRs. Similarly, in Upper Assam Zone, of the total 14,053 DTRs, 7009 are unmetered. In Central Assam Zone, of the total 18,875 DTRs, 8578 general DTRs were either unmetered or the meters were defective/ stopped. whereas 296 DTRs under SPSS /IBDF (Franchisee) Scheme were either unmetered or the meters were defective/ stopped. **The Commission as well as the members expressed grave concern in this matter and the Commission directed that immediate steps be taken to replace the stopped/ defective meters and all unmetered DTRs be metered without further delay. The Commission also asked APDCL to comply with the directives specified in Tariff Order 2010-13.**

The Chairperson informed that the AERC (Demand Side Management) Regulations, 2012 were notified in the Assam gazette on 31.03.2012. It was also informed that some DSM measures were being implemented by the distribution licensee like distribution of more than 10 lakhs CFLs to rural consumers with upto 1 KW load and constitution of a DSM cell as per the Regulations to chalk out targets, plans and programmes to carry out DSM activities. It was also informed by APDCL that smart grid pilot project is being proposed in Guwahati City under R-APDRP which includes DSM initiative by segregating consumer load under essential/ non-essential basis. It was informed that Rs 44 Cr was already sanctioned for the purpose. The Chairperson also informed that all the other new Regulations and amendments discussed in the last meeting of the State Advisory Committee were finally notified in the Assam Gazette.

The Chairman of AIMO (Assam State Chapter) from Tinsukia, a State Advisory Committee (SAC) member requested that a few points may be clarified regarding interest on security deposit and adjustment of FPPPA charges. It was stated that the SAC members shared the concern of the Commission regarding the high rate of power purchase and requested that steps be taken to increase the state generation capacity. It was also requested that the consumers may be educated by the licensee on issues such as conservation of energy and tackling commercial losses. The licensees were called upon by the member to reduce their Transmission and distribution losses to the maximum extent possible. It was stated by the member that the payment of interest on security deposit by the distribution licensee may be done in a transparent manner and properly reflected in the electricity bills. It was informed that many consumers were yet to get their interest refund. It was further informed that officers in some subdivisions insisted for the original security deposit receipt in order to avail interests. The member also enquired if the licensee has issued any clarification regarding applicability of Small Industries category to certain factories and industrial manufacturing units certified by DIC as discussed in the 15<sup>th</sup> State Advisory Committee.

Responding to the enquiries by the aforesaid member, the Chairman ASEB and CMD APDCL, Shri S.C. Das, clarified that the distribution licensee had issued circular regarding applicability of Small Industries category for manufacturing units on 20.02.2012 i.e within 7 days from the date of the last Advisory Committee Meeting as was agreed to. Shri Das stated that the peak demand for power was usually in the range of 1200-1250 MW and there is usually a gap of 350-400 MW. Therefore, it becomes necessary to procure power from power traders like NTPC through a transparent process of tendering and also from power exchanges. It was informed that at present, APDCL was procuring 150MW power from the power exchanges and around 112 MW

from NTPC Station at Farakka. It was informed that NTPC power was priced high as their stations were based on coal which had to be imported from outside the country.

It was informed that there were constraints in the transmission corridor of PGCIL and therefore, required quantity of power could not be procured. However, it was informed that there was no constraint in transmission network for power from Tripura Based Palatana project which is to be commissioned shortly. Shri Das informed that the draft Detailed Project Report for the Lower Kopili project was ready and construction should start in the year 2013. It was further informed that a few thermal projects are in the pipeline namely 100 MW Amguri Thermal Power Project, 100 MW Namrup Extension Power Project, 500 MW coal fired Margherita Thermal Power Project and Revival of the 60 MW Chandrapur Thermal Power Project on coal. It was stated that coal and gas linkage for the projects were awaited.

Shri Das further informed the members that a number of steps were being taken through R-APDRP for improvement of infrastructure and the quality of power. It was stated that Rs 1000 Cr was sanctioned for 2011-14 for development/ upgradation of power facilities in 67 towns across Assam and reduction of losses to 15% within a period of 5 years. It was informed that in order to monitor the consumption of high value consumers, CMRI download of all HT consumers were taken up and likely to be completed within January 2013. It was informed that a HVCMS (High Value Consumer Management System) was also taken up with a data center set up at Sixmile, ASEB Campus at a cost of approximately Rs 200 Cr.

Shri Das stated that the number of consumers has more than doubled within the last five years to the tune of approximately 25 lakhs and most of these were rural consumers who were added to the distribution licensees' network through the Rajiv Gandhi Gramin Vidyutikaran Yojana. It was stated that APDCL was trying to improve service facilities to the rural consumers by establishing care centres/ revenue collection centres within short, accessible distances. It was stated that the challenge for the licensee was to reduce losses as targeted and improve collection. It was informed that online electricity bill payment facility has been introduced in Guwahati and e-bills can also be viewed in all districts of Assam, except Kokrajhar.

Regarding the payment of interest on security deposit, it was informed by Shri Das that the concerned APDCL executives have been asked through internal notification to consider the amount of security deposit per KW applicable in 1998 as the basis for refund of interest and production of original security deposit receipt by consumers was not necessary. It was stated that if specific cases of non-payment could be brought to his notice then necessary action could be taken in this regard.

The Chairperson AERC stated that prudent checking of all documents/ bills vouchers were made by the Commission before issuing the FPPPA orders. The members were informed that detailed calculations approving the FPPPA charges for different quarters are available at the official website of the Commission.

The Chairperson informed that Monitoring Committees which were constituted in the last meeting to monitor the improvement of quality of power supply and standard of performance of APDCL; review the performance of APGCL and AEGCL, held their first meetings in the month of June, 2012 and a number of important decisions were taken. The minutes of the meetings are available in the website of the Commission.

The member from AIMO further stated that Industrial Policy of Assam under Chapter II – ‘Procedural Simplification’ provided guidelines (Annexure II) fixing time frames for sanction of power to industrial units. He enquired whether such guidelines have been formulated and implemented by the Distribution Company. In reply, Chairman ASEB stated that load sanction is usually granted to any industrial unit only when there is redundant capacity available at the nearest existing substation. Otherwise, alternate arrangements need to be made which may be time consuming. Besides, it was informed that the Chief Engineers of the licensee could grant load sanction to a maximum of 1 MW only. Any load sanction above 1 MW requires the permission of the State Government which is a time consuming exercise.

**The members suggested that the Commission may put up a proposal to the Government of Assam for increasing the permissive load sanction by Chief Engineers from 1 MW to 5 MW. The Commission noted the suggestion of the members and assured that action in this regard would be taken.**

**(3) Agenda Item No 3: Appraisal of members on Tariff Proposal by the respective utilities.**

The Commission informed the members that as per Section 64(2) of the Electricity Act 2003, the tariff proposal in abridged form and manner is required to be published in the daily newspapers inviting comments and observations of the stakeholders. Accordingly, as per the Electricity Act 2003, and in line with the procedure followed by AERC for the previous years, notices on the petitions received and suo-motu proceedings for Truing up, Annual Performance Review, revision of ARR and determination of the Tariff for FY 2012-13 were published in widely circulated dailies. The last date for receipt of objection petitions was initially fixed as 15.12.2012; however, the date was further extended up to 31.12.2012.

The Commission informed that it has received two response petitions so far and hearing on the petitions shall be held at a later date which shall be duly notified. Discussions on these petitions for generation, transmission and distribution are briefly dealt with in the paragraphs below:

**I. Generation (APGCL):**

A petition was filed by APGCL on 06.06.2012 for Annual Performance Review (APR) of FY 2011-12 and trueing –up for 2009-10 & 2010-11.

As per section 6.1 of the AERC (Terms and Conditions for Determination of Tariff) Regulations 2006, the generating company is required to file the petition for determination of Annual Revenue Requirement (ARR) and tariff for FY 2012-13 by 01.12.2012. APGCL neither filed such petition nor approached the Commission to grant extension of time for filing the ARR petition.

The Commission served notice to APGCL on 24.07.2012 to file ARR and tariff petition for FY 2012-13 i.e. the final year of control period FY 2010-11 to FY 2012-13 within 45 days of receipt of the notice failing which, the Commission would initiate a suo-motu proceeding for revision of ARR and determination of tariff for the year 2012-13 as per Regulation 10 (1) of AERC (Conduct of Business) Regulations 2004.

APGCL on 28.09.2012 submitted petition for revision of ARR and determination of generation tariff for the year 2012-13.

The salient features of the petitions were briefly discussed through a power-point presentation made by the APGCL representatives. It was informed that the generation target was achieved for FY 2010-11, however, for FY 2011-12, generation was less than that approved by the Commission due to non-availability of adequate fuel (gas) and shutdown of some generating units for breakdown maintenance. The members observed that the actual auxiliary consumption for the generating stations of NTPS and LTPS was higher than that approved by the Commission for FY 2010-11. The actual auxiliary consumption was 5.44% against the approved figure of 4.02%. The members also expressed concern that the actual Gross Station Heat Rate (SHR) was higher than the normative rates for these generating stations.

The representatives from the petitioner stated that the NTPS and LTPS of APGCL were old power stations and therefore the auxiliary consumption for the stations was on a high side. Regarding Gross SHR, the petitioner informed the members that CERC has relaxed SHR of Agartala GPS in its Terms-and-Conditions-of-Tariff -Regulations-2009-14 stating the reasons for higher actual station heat rate (SHR) than the normative as due to part load / low load operation due to non-

availability of adequate gas and deteriorating quality of gas. It was informed that CERC relaxed the SHR norm for the Assam GPS (CCGT) to 2400 kcal/kWh for the tariff period 2009-14 from the earlier SHR norms of 2250 Kcal/Kwh (for the Tariff period 2004-09). APGCL stated that since, LTPS and NTPS are also facing similar constraints of part load /low load operation due to non-availability of adequate gas and deteriorating quality of gas etc, leading to higher actual heat rate than the SHR norms, therefore, the Commission may consider CERC's above Heat Rate norms while truing-up for FY 2009-10 & 2010-11. APGCL appealed to the Commission to grant higher SHR than normative so that the actual fuel cost incurred in these years may be recovered.

On the matter of depreciation for Karbi Langpi Hydro Electric Project (KLHEP), APGCL stated that although the project was commissioned in March' 2007, most of the assets (Plant Machinery, Buildings etc.) were procured during the period 1992. APGCL requested the Commission that as the assets were kept idle for about fifteen (15) years, so for deriving depreciation rate of assets of KLHEP, life span of assets may be considered as 20 years instead of normal life span of 35 years for Hydro station.

The member from FINER informed that it would not be a prudent practice to consider depreciation for 20 years only as requested by APGCL. The Commission noted the contention of the member and stated that the matter shall be examined in light of the relevant Regulations.

On the matter of higher Station Heat Rate, the Commission suggested that an institution like IIT, Guwahati or Assam Engineering College may be approached for studying the actual position of the generating stations witnessed by CEA/ NTPC and a report may be submitted to the Commission. The Commission further suggested that open cycle and combined cycle generating stations may be considered separately as the norms of operation are different for these stations. The Commission assured that action shall be taken, if necessary, based on the findings of the study. The Commission also asked APGCL to make all out efforts for completion of its ongoing projects.

**Action to be taken by: APGCL /AERC**

## **II. Transmission (AEGCL):**

As per AERC (Terms and Conditions for Determination of Tariff) Regulation 2006, AEGCL filed Petition for Truing up for FY 2009-10 and FY 2010-11 vide their letter dated 09/10/2012. But AEGCL had not submitted Petition for Annual

Performance Review of FY 2011-12 and Annual Revenue Requirement & Determination of Tariff for FY 2012-13.

As per AERC Regulation 78 of AERC (Terms and Conditions for Determination of Tariff) Regulation 2006, the Transmission Licensee, AEGCL is required to submit Petition for determination of Tariff by 1st December every year for each control period in case of MYT. Despite repeated verbal requests in addition to written notices, the Transmission Licensee, AEGCL did not file their Petitions as required. The Hon'ble APTEL in its order on OP No. 1 of 2011 mandated that in the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy. It has, therefore, become incumbent on the part of AERC to go ahead with the suo-motu proceedings for conducting the Annual Performance Review of FY 2011-12 and revision of ARR & tariff determination for FY 2012-13.

During the course of the power-point presentation made by AEGCL, it was informed that the PGCIL charges for FY 2010-11 and FY 2011-12 increased by Rs 44.10 Cr and Rs 75.34 Cr respectively due to arrear bills raised by the Corporation after tariff revision by CERC.

The members expressed their desire to know the trend of actual transmission losses and it was reported by AEGCL that actual losses for FY 2009-10 was 6.04%, FY 2010-11 was 4.81% and FY 2011-12 was 5.13%. The members noted that the transmission losses have increased in FY 2011-12 and asked AEGCL to take measures for reducing these losses in future. The Chairperson, AERC drew the attention of the Members to the proposed commissioning of the first unit of 726 MW Palatana project by OTPC (ONGC Tripura Power Company) by 2013 and it was informed that Assam has been allotted 120 MW in the first phase from this power station.

The members of the Committee wanted to know if the grid infrastructure for evacuating this 120 MW power into our system is in place. AEGCL informed that the power would be transmitted through 132 KV double circuit lines via Hailakandi and Srikona sub-stations and a load flow study was already conducted for the purpose. They informed that although there were some constraints in the Hailakandi sub-station, the power would be transmitted through PGCIL network. It was informed by AEGCL sources that the power from Palatana project would be available to the consumers for over Rs 4:00 per unit.

**Action to be taken by: AEGCL/ AERC**

### **III. Distribution (APDCL)**

As per provisions 126 and 148 of AERC (Terms and conditions for determination of Tariff) Regulations 2006, the Distribution Licensee is required to file for True up, Annual Performance Review, Annual Revenue Requirement and Tariff Determination Petitions for each financial year of the MYT regime by 1st December of that particular year.

Although, petition for truing up of FY 2009-10 was received, petitions for Truing up of FY 2010-11, Annual Performance Review for FY 2011-12, revision of Annual Revenue Requirement (ARR) and Determination of Tariff for FY 2012-13 were not submitted by APDCL. The Commission had categorically directed the licensee to file the petitions, however, the petitions for truing up of 2010-11, Annual Performance Review for FY 2011-12, revision of ARR and Determination of Tariff for FY 2012-13 were not forthcoming for some reason or the other.

In this connection, Hon'ble APTEL Order No. 01 of 2011 is very specific and it has become necessary to determine the Tariff in consonance and compliance with the APTEL order. The Commission, therefore, decided to go ahead with the suo-motu proceedings with a view to conducting true-up of FY 2010-11, Annual Performance Review of FY 2011-12 and revision of ARR & determination of tariff for FY 2012-13.

During the power-point presentation made by APDCL, the members were informed that power purchase costs in FY 2009-10 increased by over Rs 91 Cr and the amount has been claimed in the true-up petitions. Similarly, the power purchase cost for FY 2010-11 increased by a huge amount of Rs 508 Cr. It was stated that although, sale to consumers belonging to Jeevan Dhara category was anticipated to be 283 MU in Tariff Order for FY 2009-10, but actual sale was only 40 MU while in Tariff Order for FY 2010-11, sale was anticipated as 75 MU but actual sale was 215 MU. It was informed that this was due to the fact that BPL connections through Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) which were expected to be completed in the year 2009-10 were actually completed in the year 2010-11.

While noting that initiatives were being taken by APDCL to control distribution and commercial losses at different voltage levels, the members expressed the desire that these schemes should be effectively implemented.

The Commission informed the members that true-up of the tariff order with annual accounts of a company could be done only when the financial statements duly audited by the office of Principal Accountant General were made available and enquired on the status of Annual Account Statements of APDCL for FY 2010-11.

APDCL informed the members that audit of Annual Accounts of the Company for FY 2010-11 were completed and the same can be made available to the Commission after approval of the Board of directors.

Representatives from NESSIA and AASSIA enquired if permission from the Commission was necessary while making power purchases and if there was any kind of restrictions on the price for power purchase. The CMD, APDCL clarified that usually power is purchased from the power exchanges at market driven prices and also through the process of tendering/ bidding in addition to the power allocated to Assam from the Central Sector Generating Stations located in the North East. The Commission while issuing the tariff and FPPPA orders, makes an assessment of these purchases through prudent checking as per the AERC Regulations and Government of India Guidelines in this matter.

Representative from AIMO requested the utilities that the officers in the consumer care centres/ sub-division level may be trained to explain the tariff documents whenever a consumer needs help to understand such documents. It was stated that usually when a consumer approached an officer with a problem on the tariff petitions, there was negative/ subdued response from the officer concerned.

The CMD, APDCL noted the suggestion of the member and explained that the officers in the sub-divisions were often preoccupied settling the issues which arise on a day-to-day basis. The Chairperson, AERC suggested that Deputy General Managers (DGMs) may be approached in this regard and APDCL may issue an order assigning the DGMs for public interactions of any kind and a day may be fixed in a month for such purpose according to the convenience of the officer concerned. The CMD, APDCL agreed to issue necessary direction to the concerned officers accordingly.

**Action to be taken by: APDCL /AERC**

**(4) Agenda Item No. 4 : Standards of Performance achieved (both Overall and Guaranteed) for FY 2010-11 & 2011-12 including Reliability indices, billing/collection efficiency, etc.**

The licensee prepared a presentation on the above subject but the presentation could not be made due to paucity of time. The licensee however, submitted a soft copy of the presentation to the Commission.

The Commission notes from the presentation that APDCL is making efforts to improve its billing and collection efficiency to that of national average in order to make the

organisation economically viable. APDCL stated that it has achieved 75.33% & 75.87% billing efficiency and 96.38 % & 97.35 % collection efficiency during FY 2010-11 & FY 2011-12 respectively. It also stated that 27 Customer Care Centres have been established at the division level and 29 Consumer's Service Centres have been functioning at the Sub-division level to take care of consumer complaints, revenue billing & collection etc. APDCL stated that Reliability Indices - CAIFI & CAIDI calculated for Fancy Bazar sub-division, Guwahati Electrical Circle -I (GEC-I) for the year 2011-12 are 166 & 136 respectively and for Kokrajhar Sub-division for FY 2010-11 are 323 & 638 respectively and efforts were being made to motivate the personnel at the field level through training etc. to improve system reliability. It was also stated that APDCL has taken initiative for payment of compensation on receipt of claim by the consumers after scrutiny and by adjustment of demand charges; however, no such claims are pending with the department as of now.

While appreciating the initiatives taken by the distribution licensee for improvement of service to its consumers, the Commission also notes that APDCL has not submitted the information on SOP as per the proforma prepared by the Commission for FY 2010-11 and FY 2011-12 till date despite several reminders for compliance. These information on SOP are required to be notified by the Commission as per section 59 (2) of the Electricity Act, 2003. The Commission had notified the information for FY 2009-10. APDCL is required to submit all required details to AERC for FY 2010-11 and FY 2011-12 latest by the end of March, 2013.

**Action to be taken by: APDCL**

**(5) Agenda Item No. 5 : Discussion on Principles and Protocols of Load Shedding hours (PPLS) in the State of Assam**

The EA, 2003 casts certain obligations on Distribution Licensees with regard to supply of electricity to their consumers, except in certain circumstances outside their control. However, it is inevitable that, when there is a shortage of available power vis-à-vis the requirement of consumers, load shedding would have to be undertaken in order to maintain the system frequency and to ensure its security.

The thrust of the EA, 2003 is on efficiency and economy of operations. Moreover, the immediate issue of concern is the equitable management and regulation of the load in a situation of shortage. In order to do so in a fair and equitable manner, the Commission believes that it is necessary to distinguish between areas with better performance, and undertake lesser load shedding in areas with lower Distribution losses and higher collection efficiency, all else being equal. This would be in keeping with the principle

that, at a time of scarcity, areas where energy is not being efficiently utilized or paid for should rank lower in the rationing order.

During the course of the discussions, APDCL informed that area-wise Load shedding schedules are prepared based on 20% shortfall in power supply and notifications are given accordingly in newspapers for timely information to the consumers. It was informed that APDCL takes care to avoid load shedding in some of the priority sectors like Hospitals, Judiciary etc. as far as possible. Also, it was informed that load shedding is avoided by the licensee to the extent possible in high revenue yielding areas and in case of shortage; Guwahati city often gets preference over other areas.

The Commission suggested that the T&D losses and collection efficiency in different areas need to be taken into account while deciding the load shedding protocol. The Commission also noted that the supply-demand gap is not a short-term phenomenon, and will persist to a greater or lesser extent for a considerable further period of time. Moreover, the load shedding requirement is dynamic, and would vary from time to time depending on the system demand-supply gap, system frequency, season, time of day, etc. The Commission suggested that a Load Shedding Committee be constituted with the following representatives / members:

<b>Sl. No.</b>	<b>Representatives from</b>	<b>Members</b>
1	Commission	Secretary/ Joint Director (Tariff), AERC
2	SLDC	CGM, SLDC
3	APDCL	CGM, LAR, APDCL Convener for the meeting
4	Consumer Representative	1. President, Grahak Suraksha Sanstha 2. President, All Assam Small Scale Industries Association (AASSIA)

The Commission suggested that the Committee may prepare a report within the next one month on the principles and protocol proposed to be adopted for load shedding, the other alternatives that might also meet the tests of equity, fairness and reasonableness, and the likely impacts. This was agreed to by the esteemed members of the State Advisory Committee.

Thereafter, the report needs to be submitted to the Commission and it would be separately considered and addressed by the Commission. The Commission shall accord approval after examining the same in proper perspective.

**Action to be taken by: APDCL /AERC**

**(6) Agenda Item No. 6 : Discussion on the issue of arrear dues to APDCL from Government Departments and installation of pre-paid meters in greater Guwahati both in Government buildings as well as residential flats and commercial buildings.**

As per submission made by APDCL, outstanding dues from different consumers as on 31.03.2012 are as follows:

- i) Outstanding against total Government consumers : Rs 42.90 Cr.**
- ii) Arrears on account of Power Subsidy to the Industry Department : Rs 27.93 Cr.**
- iii) Outstanding against different Municipal boards/ Town Committees : Rs 2.57 Cr.**
- iv) Outstanding dues of ATC Garden : Rs 15.37 Crs.**

**Hence, Total Outstanding as on 31.03.2012 : Rs 88.77 Cr**

APDCL informed that they were planning to install prepaid meters in all Government buildings and 2624 meters have already been installed at the residential flats in greater Guwahati Area mainly under GEC-I of APDCL. CMD, APDCL requested the Commission that it may consider giving discount of 2%-3% in tariff orders for consumers installing prepaid meters in order to encourage their use. The Commission noted the proposal of the member and requested the representatives from State Government to take appropriate initiatives with regard to installation of prepaid meters in the Government Departments as well as autonomous bodies.

The Chairperson, AERC drew a reference to a similar situation as was experienced by the state of Delhi which had predominantly more defaulting State Government consumers affecting the revenue realization of the utilities. To contain the situation, the Government of Delhi issued directives under their letter No. 11(168)/2005/Power/PF/1410 dated 11.06.2007 enumerating the following main points:

1. The Cabinet vide its decision No. 116 dated 21.09.2006 emphasized the timely settlement of power dues of Government departments to distribution companies.
2. All Government departments and autonomous bodies under the Govt. having single phase and three phase electricity load below 45 KW would need to switch over to the Pre-Paid Metering System.

3. For all Government department/autonomous bodies having load above 45 KW including high tension loads, Discoms would switch over to Automatic Meter Reading System.
4. Rebate of 2% shall be allowed as the payment is given in advance as approved by Delhi Electricity Regulatory Commission in line with CERC.

The Chairperson informed that after implementation of the above , things have changed remarkably in Delhi. It was informed that the current position was recently discussed with CEO of BSES; Rajdhani, the Reliance Distribution Utility and it was apprised that Pre-paid Metering recharging and related scheme of things have been very successfully implemented resulting in remarkable impact in performance of the distribution company.

The overall achievements as gathered are as under:

1. Utilities in Delhi are receiving 100% payment on a month to month basis from Government owned establishments in advance without the need for any follow-up or running around.
2. There are no arrears on Government connections, except some disputed/ challenged invoices etc.
3. There is a lot of awareness amongst the users in terms of the tariff, usage pattern etc. which is also leading to energy conservation.

The Chairperson, AERC submitted a copy of the letter of the Government of Delhi to the Commissioner & Secretary, Power Department, Government of Assam and requested that similar initiatives may be taken up by the State Government for overall improvement of the power sector in Assam. The Commissioner & Secretary expressed his gratitude for the document and assured that efforts would be made in this direction.

**Action to be taken by: APDCL/ State Government/ AERC.**

**(7) Agenda Item No. 7: Demand Side Management.**

Representatives from the distribution licensee in their power point presentation regarding DSM activities by the company highlighted the fact that a DSM cell has been constituted as per the directions of AERC in its Tariff Order for 2010-13. The DSM Cell would carry out load research, formulation of DSM Plans, design, development and implementation of DSM activities etc.

The members were informed that AERC also notified AERC (Demand Side Management) Regulations, 2012 on 31.03.2012.

APDCL in their presentation observed that by distributing 2 CFLs of 11 Watt for replacing 60 watt incandescent lamps to the existing domestic consumers, the Company would save upto 59% of peak lighting load energy. The licensee informed the members that keeping in mind the importance of DSM in the present scenario of widening demand-supply gap, it has embarked on a number of activities like distribution of CFL to BPL consumers, installation of 3 star rated transformers, Smart grid pilot project in Guwahati under RAPDRP, monitoring of High Value consumers through High Value Consumer Management System (HVCMS), use of pre-paid energy meters, consumer awareness campaign through advertisements etc.

It was also informed that APDCL, at the request of Rajiv Bhawan, Guwahati has allowed installation of a 2 KW LT Roof Top Solar PV at a net-metering arrangement which was commissioned on 02.10.2012. It was further informed that the plant is running successfully and contributing approximately 180 units per month to the grid and the consumer in return is getting a benefit of approximately Rs 900 /month. APDCL opined that the scheme may be popularized for mass acceptance by the consumers by offering capital subsidy and other benefits extended under NEIPP. Besides, it was informed that APDCL would implement the Bachat Lamp Yojana and the Malaysian firm M/s C .Quest Capital Malaysia Limited was selected for the project. It was also informed that the Electricity inspectorate prepared a draft report on DSM, which includes APDCL area with an estimated investment of Rs 300 Cr (approx).

The members expressed satisfaction at the initiatives taken by the Company. The Chairperson, AERC emphasized that although the DSM plans are to be organized by the utilities within enabling regulatory framework created by the State Commissions, a proactive support from the State Government concerned would be necessary for success of the DSM programmes. The following could be the key areas for intervention by the State Governments:

- The State Governments may consider financially supporting the DSM programmes aimed at such category of consumers which are receiving tariff subsidy from the State Governments. This would obviously be in the long-term interests of the state finances.
- The State Designated Agency (SDA) has a key role in implementation of the Energy Conservation Act and also in implementing various other schemes. The State Governments need to take steps to enhance effectiveness of the SDAs.

- The State Governments may also consider reduction in taxes on energy efficient appliances.

The Chairperson, AERC, further advised following DSM action plan for implementation by the utilities with the support of the Government of Assam.

1. Promotion of energy efficient appliances – (BEE star rated ACs, fridge and fans, CFL, T5 and LEDs in commercial sector, solar heater in commercial and residential sector).
2. Promotion of energy efficiency in new commercial buildings – (Energy Conservation Building Code - ECBC, Green Rating for Integrated Habitat Assessment - GRIHA under MNRE).
3. State-wide education and awareness campaign for energy conservation – (Kerala model - energy clinic programme, volunteer for energy programme, panchayat libraries).
4. Improvement in process and operational efficiency in the industrial sector – (Kerala mandated compulsory energy audit for all HT/EHT industries and commercial establishments. Further states like Maharashtra, Madhya Pradesh and Haryana have launched promotional schemes offering financial assistance for carrying out energy audits).
5. Public procurement of energy efficient appliances – (Haryana made the purchase of minimum 4-star rated fridge, ACs and FTLs and transformer mandatory for all Govt. departments/Corporations).
6. Feeder segregation – erection of separate HT and LT lines and rearrangements of power supply schedule of agricultural feeders.
7. Regulatory measures for promoting DSM – Maharashtra and West Bengal have introduced TOD tariff for LT industrial category. Delhi, Himachal and Uttarakhand have introduced KVAH billing for some of its consumer categories.

**Action to be taken: APDCL/ State Government/AERC**

**(8) Agenda Item No. 8: Compliance of Renewable Purchase Obligations (RPO) in Assam**

APDCL informed the members that RPO energy gap were to the tune of 19.06 MU, 154.69 MU and 243.50 MU for FY 2010-11, FY 2011-12 and FY 2012-13 respectively as the procurement of power from the NCE sources is not sufficient to meet the renewable obligation. This has resulted in requirement of Rs. 6.67 Cr., Rs. 54.14 Cr.

and Rs. 85.23 Cr. for the FY 2010-11, FY 2011-12 and FY 2012-13 respectively by the licensee considering equilibrium price of Rs. 3500 /MWh to meet up the RPO by purchasing Renewable Energy Certificates.

APDCL informed that it has already approached the Commission for approval of recovery of this amount of Rs. 146.00 Cr through tariff. Chairperson AERC informed that the matter is being carefully examined by the Commission.

The Commission informed the members that none of the obligated entities has purchased Renewable Energy Certificates (REC) in compliance with RPO obligations so far. Some of these organizations are having co-generation in their captive power plants and are have claimed exemption from RPO as per Order of Hon'ble APTEL in Appeal No. 57 of 2009. The Uttar Pradesh Electricity regulatory Commission has given an order on 04.11.2011 in the matter of inclusion of co-generating plant using fossil fuels in Renewable Energy Sources. Consequent to the above, the Ministry of Power (M.O.P.), GOI has recently constituted a high level committee to accelerate development of Renewable Energy through legislative and policy changes. The terms of reference of the Committee inter-alia includes the legislative changes i.e. to clarify the intent of section 86(1)(e) of the Electricity Act, 2003 regarding the definition of the word Co-generation in section 2(12) which does not distinguish between co-generation based on fossil and non-fossil fuels. The Commission is waiting for the guidelines of MOP (GOI) based on the Committee report.

The Commission informed that a meeting on compliance of Renewable Purchase Obligation (RPO) by the obligated entities in the state of Assam was held with the Assam Energy Development Agency (AEDA) at the office premises of the Commission on 13.09.2012. AEDA is functioning as the State Agency for undertaking the functions under the above AERC (Renewable Purchase Obligations and its Compliance) Regulations 2010. As per RPO report submitted by AEDA, the State Nodal Agency vide letter dated 24.09.2012, the total installed capacity of CPPs (15 nos.) in Assam is 350 MW (approx.) and so far there is no compliance of RPO by these CPPs.

**Action to be taken by: APDCL/ AERC**

#### **Agenda Item No. 9: Any Other matter**

On perusal of the metering status submitted by the Distribution Licensee, the Commission noted that defective meters in different zones of the licensee were not replaced by static meters and as such, the revenue leakage would continue to remain

unabated, thus, impeding the licensee from attaining the roadmap of 15% distribution loss as recommended by the Abraham Committee. The Commission brought the following measures to the notice of the distribution licensee for immediate implementation:

- i) Installation of Intelligent Tri Vector Meter, TVM (fully static) for high value consumers.
- ii) MRI downloading parameters are to be analysed on monthly basis followed by raids/ inspections, whenever wide deviations are noted.
- iii) All consumer meters are to be read through MRI with a view to avoiding human element in meter reading of consumers. MRI readings are required to be injected to the computer for generation of electricity bills of the consumers.
- iv) As directed in the AERC Tariff Order for FY 2010-13, palm held computers are required to be used for all consumers in the state for spot billing for arresting the commercial losses to a reasonable extent. The power utilities in Andhra Pradesh have been resorting to this practice and have been able to contain their distribution losses within the range of 10%-12%.

Further, the Commission opined that if the directives 8, 10, 11, 12, 13 and 14 of the tariff Order 2010-13 are complied with along with the above mentioned measures, the distribution losses could definitely be controlled to the desired level.

**Action to be taken by: APDCL**

No other matter was discussed and the meeting ended with a vote of thanks offered from the Secretary, AERC to everyone present in the meeting.

(J. Barkakati)  
Chairperson,  
Assam Electricity Regulatory Commission

**List of Persons attending the 16<sup>th</sup> Meeting of the  
State Advisory Committee held on 19<sup>th</sup> December, 2012**

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- (1) **Shri J. Barkakati**, Chairperson, AERC
- (2) **Dr. R. K. Gogoi**, Member, AERC
- (3) **Shri T. Chatterjee**, Member, AERC
- (4) **Shri S. C. Das**, IAS, Chairman, ASEB & CMD, APDCL.
- (5) **Shri Vijayendra**, IAS, MD, APGCL
- (6) **Shri G. Das**, MD, AEGCL
- (7) **Shri A. Goel**, IAS, Commissioner & Secretary, Power Deptt., Govt. of Assam
- (8) **Ms. U. Saikia**, ACS, Deputy Secretary, Power Deptt, Government of Assam.
- (9) **Ms. K. V. Padmanabhan**, IAS, Commissioner, GMC.
- (10) **Shri S. Thakuria**, Secretary, P&RD Deptt., Government of Assam.
- (11) **Shri S. Rahman**, Jt. Secretary, Food & Civil Supplies Deptt., Government of Assam.
- (12) **Shri D. K. Baruah**, Secretary, Deptt. of Agriculture, Government of Assam.
- (13) **Shri B. P. Bakshi**, Chairman, AIMO (Assam State Board), Tinsukia, Assam.
- (14) **Dr. P. K. Bordoloi**, Professor & HoD, Deptt. of AEI, GIMT, Guwahati-17.
- (15) **Shri S. K. Agarwal**, Director, FINER, Guwahati.
- (16) **Shri P. K. Baruah**, APPL, C/o ABITA, Guwahati.
- (17) **Shri A. K. Baruah**, President, All Assam Small Scale Industries Association.
- (18) **Shri G. C. Baishya**, President, Grahak Suraksha Sanstha
- (19) **Shri K. C. Medhi**, State Secretary, North Eastern Small Scale Industries Association.

**Officers of AERC present :**

- (1) **Shri M. J. Baruah**, ACS, Secretary, AERC.
- (2) **Shri D. K. Sharma**, Joint Director (Tariff), AERC
- (3) **Shri T. Mahanta**, Deputy Director (Engg.), AERC
- (4) **Shri A. Purkayastha**, Deputy Director (Finance), AERC

**Consultants of AERC present :**

- (1) **Shri A. K. Borthakur**, Senior Consultant, AERC
- (2) **Shri P. C. Sarma**, Consultant (Regulations), AERC
- (3) **Ms. P. Sharma**, Consultant (Finance, Database and Consumer Advocacy), AERC
- (4) **Shri N. K. Deka**, Consultant (Technical), AERC