

**Minutes of the 19th meeting of the State Advisory Committee
held on 8th May, 2015, at Administrative Staff College Khanapara, Guwahati**

The 19th meeting of the State Advisory Committee was held at 10.30 am on 8th May, 2015, at Administrative Staff College Khanapara, Guwahati.

The list of members and officers present is appended at **Annexure – 1**.

At the very outset, the Secretary, AERC, welcomed all the Members of the State Advisory Committee, Special Invitees and officers present, to the 19th Meeting of the Committee, which had been recently reconstituted vide circular dated 20.04.2015 as per Section 87 of The Electricity Act, 2003. He stated that the State Advisory Committee is an important body with an objective to advise the Commission on important issues such as:

- Major questions of policy;
- Matters relating to quality, continuity and extent of service provided by the licensees;
- Compliance by Licensees with the conditions and requirements of their licence;
- Protection of Consumer Interest; and
- Electricity supply and overall Standards of Performance by utilities.

He then requested the Chairperson, AERC, Shri Naba Kumar Das, IAS (Retd.) to preside over the meeting.

The Chairperson, AERC, on behalf of the Commission, extended a hearty welcome to all the Members of the State Advisory Committee.

The Chairperson informed the members that Power Point presentations would be made by the representatives of the power utilities on the overall power scenario of the State and also on the petitions submitted by each of the three utilities for revision of tariff. He requested the members to take this opportunity to raise various issues and problems being faced by the consumers and offer suggestions so that effective strategies could be worked out to improve the power position in the State. The agenda items were taken up for discussions in seriatim which are briefly recorded below.

1. Agenda No. 1: Confirmation of the Minutes of the 18th meeting of the State Advisory Committee (SAC) held on 12-08-2014

The Minutes of the 18th Meeting of the Committee was already circulated among the Members and Special Invitees. Hence, it was taken as read. No comment was received on the Minutes. With the approval of the members, the Minutes of the 18th meeting of the SAC were confirmed.

2. Agenda No. 2: Action taken on the Minutes of the 18th Meeting of SAC.

The action taken report was submitted to the members, which are summarized as below.

- 2.1. Peak power Tariff in consumer categories is not presently covered under the TOD Tariff. The Commission had advised APDCL to submit the required information. On receipt of the same the Commission would be in a position to take a decision.
- 2.2. Regarding the Regulation of Peak Power Management it was informed that the Commission have issued the AERC DSM (Demand Supply Management) Regulations, 2012. Commission now will be take up framing the peak power Regulations.
- 2.3. It was appraised that the two Regulations of AERC viz. (I) Co-generation and Generation of Electricity from Renewable Sources of Energy and (II) AERC Grid Interactive Solar PV systems have been finalized and have been sent for publication in the Assam Gazette.
- 2.4. The amendments to AERC (Terms & Conditions for Determination of Tariff) Regulations, 2006 were notified in the Assam Gazette on 06.01.2015.
- 2.5. Chairperson, AERC requested Mr. K.V Eapen Chairman (APDCL, AEGCL and APGCL) to present a brief about the Power Availability Scenario up to the year 2019. Who shared the following stated below:

<i>Plant Name</i>	<i>Maximum Availability (MW)</i>	<i>Date Of Commissioning</i>
OTPC Palatana(Unit I)	120	January 2014
Farakka super Thermal Power Station	75	September 2014 to August 2016
OTPC Palatana (Merchant Power)	35 (Merchant power)	Agreement made
Damodar Valley Corporation	75	May 2015 to July 2015
Nikachhu hydro Power station	118	July 2019
TOTAL	423	

3. Agenda No. 2: Present power scenario of the State.

A presentation was made by Mr M.K Adhikari GM, (APDCL) on Present power scenario of the State of Assam.

- 4.1. During the presentation Mr. Bimal Phukan desired to know about the methodology of calculation of demand by APDCL .APDCL appraised that physical demand recorded in the system is considered to calculate demand. Mr. Bimal Phukan objected to the same stating that during summer months (4-5months) load shedding occurs across the state therefore the system will not record the actual demand. APDCL confirmed that they consider substation wise recorded data for those days of the month when no load shedding was carried out. However, Mr. Phukan not being satisfied with the reply mentioned that the demand data is a suppressed demand data and he apprehended that if this demand is considered by Central Government for allocation of power then Assam will get lower allocation of power than actual requirement.
- 4.2. Mr. Anup Gogoi mentioned that per capita per month consumption of Assam is very low compared to other states of India. He opined that this may be due to the demand reflected is not the actual demand .Actual demand may be 3000 MW as compared to assessed demand of 1100 to 1450 MW.
- 4.3. Chairperson AERC mentioned that per capita consumption appears to be very low; there is a need to analyze/ asses the actual requirement to meet demand.
- 4.4. Mr. Nitin Sabikhi Manager, IEX enquired about the base load of the system, APDCL replied that the base load of the system is minimum of 600 MW throughout the day and 750 to 800 MW during day time.
- 4.5. Mr Bimal Phukan desired to know about the methodology for allocation of CSGS power. APDCL replied that Gadgil-Mukherjee formula is used for allocation of both hydro as well as thermal power.
The new revised Gadgil-Mukherjee formula as approved by National Development Council (NDC) is given in the following table. Criteria for inter-state allocation of Plan Assistance

Criteria	Weight (%)
Population	55
Per capita Income	25
Fiscal Management	5
Special Problems	15
Total	100

He further enquired about the availability of Meghalaya power and the cost. APDCL replied that Meghalaya power is available since 1988 at a rate mutually decided. Presently, in some areas of Mankachar and Goalpara District of Assam power from Meghalaya is received at 11KV level.

- 4.6. Mr. Bimal Phukan asked about commissioning date of Lakwa Thermal Power Station (LTPS) and also desired to know about the projects those came up after 1978. Mr. KV Eapen replied that LTPS was commissioned in 1978. Mr. P. Bujarbaruah, MD (APGCL) replied that presently Namrup Replacement power Plant (NRPP) and Lakua Replacement Power Plant (LRPP) are under implementation.
- 4.7. Mr. Anup Gogoi desired to know about the present power prices in the exchange. Mr. Nitin Sabikhi, Manager IEX replied that for the last six months exchange prices are very low, the RTC price was `2.5 /unit and night price was less than ` 2 /Unit for North East Region. With the present trend of growth in Generation capacity (8to 9%) versus growth in Demand (4%). It is expected that there will be surplus scenario in next few years and exchange prices likely to fall further.

He opined that Assam may think of replacing purchase of costlier power with exchange power, which may lead to saving of substantial amount of power purchase cost. He informed that States such as Haryana, Punjab Rajasthan are already using the method of replacing costly power with cheap power from the Exchange.

- 4.8. Mr. Abjijit Barooah desired to know about the internal system of APDCL to take quick commercial decision on power purchase. Mr. KV Eapen replied that Commercial department of APDCL is responsible for handling power purchase. Mr. Adhikari GM (TRC), APDCL highlighted that on a daily basis (block wise) demand supply position is assessed and decision taken regarding the power purchase. At present APDCL meets 80% of demand from firm allocation /Contracted supply, 5 to 10% from exchange and 5% through deviation settlement mechanism.

5. Agenda No. 4: Tariff Proposals for FY 2015-16

- **Mr. SM Kalita CGM (F & A), APGCL made a presentation on APGCL Tariff Proposals for FY 2015-16.**

- 5.1. Mr. Bimal phukan Member SAC enquired as to whether there was any break down of the generating stations. APGCL replied that the details break down have been submitted.

- 5.2. Mr. phukan further pointed out that the proposed Generation Tariff at ` 4.92 is higher compared to the exchange price of under ` 4.00. He requested APGCL to review this issue.
- 5.3. It was suggested that the long-term viability of the small gas based projects be reviewed as a cluster of small projects may result in high O &M expenses.
- 5.4. Mr. Abhijit Barooah mentioned that the average auxiliary consumption of the stations are very high. APGCL appraised that there are three main reasons of high auxiliary consumption
 - a) Because of low availability of gas machines are run on low load (40-50%) condition. Though, some of the Auxiliary Units need to be run all the time irrespective of loading resulting in higher auxiliary consumption.
 - b) Being old the Station Heat Rates are high for the existing stations. Besides, use of low CV gas compared to design there is requirement of higher volume of gas which results in higher auxiliary consumption.

6. Mr. S.K. Saha CGM (F & A) AEGCL made a presentation on AEGCL Tariff Proposals for FY 2015-16.

- 6.1. Mr. Bimal phukan enquired about the capacity that can be handled by AEGCL. AEGCL replied that an average of 716 MW and 806 MW were handled during 2013-14 and 2014-15 respectively.
- 6.2. Mr. Nitin Sabikhi Manager IEX desired to know about the Import capacity of AEGCL. AEGCL replied that the import capacity is 1100 MW.

7. Mr. Manoj Adhikari GM, APDCL made a presentation on APDCL Tariff Proposals for FY 2015-16.

- 7.1. Mr. Abhijit Barooah opined that a provision should be there to penalize the utility for not meeting the norms set in Regulations. He further mentioned that with the present status of revenue gap there is a need for Government to provide a onetime fund to bring a clean slate. He enquired about the methodology of fixing the Tariff for different categories of customers. APDCL replied that Tariff for different categories of customers is proposed keeping in mind the guidelines of National Tariff Policy to maintain the cross subsidy level within $\pm 20\%$.
- 7.2. Mr. Bimal phukan suggested that the buying and selling of power through the exchange be carried out in a prudent manner so that the maximum benefit can be derived out of the process. Should the need arise; personnel can be specially trained for the purpose.

8. Agenda No. 5: Draft AERC (Terms & Conditions for Determination of Multi Year Tariff) Regulations, 2015

8.1. A brief presentation was made by Mr. Amit Goenka (Deloitte Touche Tohmatsu India Pvt. Ltd.) on Multi Year Tariff Regulation. Mr. Saurabh Agarwal enquired about the mechanism of sharing of Gain/loss in the regulations. It was replied that the Mechanism proposed is as per model FOR Regulations. Mr. Saurabh Agarwal further enquired as to why the incentive structure has been changed (Earlier 25 paisa which becomes 50 paisa w.e.f 1st April 2016). Mr. Amit Goenka (Deloitte Touche Tohmatsu India Pvt. Ltd) clarified that it totally depends upon the new Regulation. Mr. Agarwal enquired as to why AT & C Loss is not kept as an Efficiency Parameter. Mr. Goenka replied that as there is ambiguity in formula for AT & C loss, distribution loss is kept as one of the efficiency parameters.

9. Agenda No. 6: Draft AERC (Payment of Fees etc.) Regulations, 2015.

- A brief presentation was made by Mr. Sanjeeb Tamuli, Consultant AERC on the Draft AERC (Payment of Fees etc.) Regulations, 2015 which was considered and approved by the SAC.

10. Agenda No. 7: Draft AERC (Smart Grid) Regulations, 2015.

- A brief presentation was made by Mr. D.K Sarmah, Joint Director (Tariff) AERC on the Draft AERC (Smart Grid.) Regulations, 2015 which was considered and approved by the SAC.

11. Agenda No. 8 :Any other mater

11.1. Mr. Dilip Kumr Baruah expressed that the Tariff has to go up due to prevailing conditions however; there is a scope for moderation.

11.2. He requested to ensure 24×7 power supply and suggested the following which may help control the Tariff.

- a) Efforts should be made to Minimize cost.
- b) Under utilisation of capacity should be avoided as far as possible by taking preventive measures.
- c) Execution of work should be expedited.
- d) There should be policies on procurement and inventory control of Stocks. Physical verification should be carried out at times. In substations equipments are idle for 5 to 30 years.
- e) A proper investment policy should be made by the Companies.
- f) Also a disaster management cell should be set up by all the Companies.
- g) Audit report should be made available in the public domain.

- 11.3. He further enquired as to how many consumer complaints have been received and whether any compensation was paid to the consumers when the complaint was not settled in a given time.

Chairperson AERC advised that the suggestions put forward should be included in the business plans of utilities.

12. Comments from Chairperson AERC:

Chairperson AERC mentioned that Tariff Proposals are subjected to due scrutiny and wherever it is found that the expenditure are not justified, AERC do not allow them in the permissible Tariff .Consequently, every year there is a difference between amount claimed and amount allowed. Chairperson, AERC appreciated the suggestions offered by Mr.Dilip Kumar Baruah on better management of Inventory and also advised the utilities to take appropriate action.

Regarding Consumer Awareness, Chairperson AERC mentioned that Administrative staff college of India (ASCI) Hyderabad has been commissioned to do a study on “Effectiveness of Consumer Grievances Redressal Mechanism and Compliance of S.O.P by APDCL.” They will also examine whether the SOPs issued by the Commission are being followed by APDCL. Effectiveness of the consumer redressal forum also will be evaluated. He also appraised the members about the proposed modification in the structure of the Consumer Redressal Forum.

13. No other matter came up for discussion. The meeting ended with a Vote of Thanks to and from the chair.

Sd/-
(Naba Kumar Das)
Chairperson
Assam Electricity Regulatory Commission

Annexure – 1

**List of members present in the meeting of the State
Advisory Committee held on 8th May, 2015**

1. Shri Naba Kumar Das, IAS(Retd.), Chairperson, AERC
2. Dr. Rajani Kanta Gogoi, Member, AERC
3. Shri D.Chakravarty, Member, AERC neccessary
4. Shri V.K Pipersenia, Additional Chief Secretary,GOA
5. Shri V.B Pyarelal, Additional Chief Secretary,GOA
6. Shri K.V. Eapen, Chairman, APDCL, AEGCL & APGCL
7. Shri R.L. Barua, MD, APDCL
8. Shri P. Bujarbaruah, MD, APGCL
9. Shri G.K.Das, MD, AEGCL
10. Shri Arup Kumar Dutta, President, AASIA.
11. Dr. Shree Birendra Kumar Das, President, Grahak Suraksha Sanstha, Guwahati.
12. Shri Bharat Saikia, Secretary, Grahak Suraksha Sanstha, Guwahati
13. Shri Anuj Kumar Baruah, AASSIA, President,Bamunimaidam, I/E Guwahati
14. Shri Saurabh Agarwala, FINER, Member
15. Shri Ranjit Kumar Barua ABITA,GS Road
16. Smt. Utpala Saikia, Deputy Secretary, Power Deptt., Dispur.
17. Shri Kulendra Talukdar, Joint Secretary Agriculture, Dispur.
18. Shri Akhil Sarma Under Secretary Finance Deptt, Dispur.
19. Shri Nitin Sabikhi, Manager IEX, New-Delhi.
20. Shri Abhinandan Goswami, R.M IEX, New-Delhi
21. Shri Bimal Phukan, Public
22. Shri Anup Gogoi, Prof Deptt. EEE IITG
23. Shri Dilip Kumar Baruah, Former Principal Cotton College
24. Shri Abhijit Barooah, CII North East
25. Smt.Joyshree Das Verma, Chairperson FICCI

Officers of AERC

1. Shri SK Roy (ACS, Retd.)Secretary AERC
2. Shri A.k..Barthakur, Senior Consultant,AERC
3. Shri D.K. Sarmah, Secretary & Joint Director, AERC
4. Shri T. Mahanta, Deputy Director (Engg) AERC
5. Shri A. Purkayastha, Deputy Director (Finance) AERC
6. Ms. Panchamitra Sarma, Consultant (Finance, Database and Consumer Advocacy Cell) AERC.
7. Shri N.K. Deka, Consultant (Technical), AERC
8. Shri Sanjeeb Tamuli, Consultant AERC
9. Shri Jayjeet Bezbaruah, Consultant,AERC

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