

**Minutes of the 20th meeting of the State Advisory Committee
held on 7th July, 2016, at Administrative Staff College Khanapara, Guwahati**

The 20th meeting of the State Advisory Committee was held at 11.00 am on 7th July, 2016, at Administrative Staff College Khanapara, Guwahati.

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

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 Business Plan submitted by each of the three utilities for the MYT Period 2016-17 to 2018-19. 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 and investment could be worked out to improve the overall power sector 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 19th meeting of the State Advisory Committee (SAC) held on 08-05-2015

The Minutes of the 19th Meeting of the Committee was already circulated among the Members and Special Invitees. No comment was received on the Minutes. With the approval of the members, the Minutes of the 19th meeting of the SAC were confirmed.

2. Agenda No. 2: Action taken on the Minutes of the 19th Meeting of SAC.

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

Mr. J.K Sarma MD APGCL gave a brief on the action taken report as per the clause no 11.2 of the 19th SAC meeting.

- Efforts should be made to Minimize operating cost.

Mr. Sarma mentioned that efforts are already taken up to minimize the operating costs which are elaborated in the section 8.4 of the Business Plan.

- Under utilisation of capacity should be avoided as far as possible by taking preventive measures.

The reason for under utilisation of capacity is due to mainly lack of sufficient gas supply.MD APGCL mentioned that continuous efforts are being made to strengthen the supply of gas by regular correspondence with OIL, ONGC and MOPNG also.

- Execution of work should be expedited.

He mentioned that various geographical terrains, absence of skilled manpower are the major constraints for the project execution work. Even after so many constraints he mentioned that APGCL is putting lot of thrust to complete the projects within a specified time.

- There should be policies on procurement and inventory control of Stocks. Physical verification should be carried out at times.

Mr. Sharma stated that the procurement process of APGCL is as per their rules only. He stated that APGCL is at present maintaining an online inventory record in addition with the regular inventory control. Further a physical inventory inspection had been carried out in the year 2013. Now APGCL is planning to implement ERP which will help in improving the inventory control.

- A proper investment policy should be made by the Companies.

APGCL investment plan is as per the projects as it has identified feasible with available fuel linkage and possible of future fuel links and other statutory clearances. Considering this APGCL has already formed an investment plan in the Business Plan which has been submitted to the Commission.

- A disaster management cell should be set up by all the Companies.

MD, APGCL mentioned that disaster management cells are already in placed in all the power stations.

- Audit report should be made available in the Website.

Annual reports of APGCL with audited account of FY 2010-11, FY 2011-12 and provisional account of FY 2012-13 are already available in the website. Annual reports with final audited accounts for the FY 2012-13, FY 2013-14 and FY 2014-15 will be uploaded in the website.

Mr. G.K Das MD AEGCL gave a brief on the action taken report as per the clause no. 6 of the 19th SAC meeting.

- Mr. Bimal phukan enquired about the capacity that can be handled by AEGCL.

Mr. Das stated that 1180 MW and 1290 MW were handled during 2013-14 and 2014-15 respectively. Now AEGCL can handle about 1628 MW in Peak Hours but still there is a constraint in the lower Assam about 40 MW-50 MW. He stated that, AEGCL recently restored the situation by commissioning a 132 KV line from BTPS to Kokrajhar ,Kokrajhar to Billasipara and Billasipara to Gauripur. These lines and substations are already completed and can minimize the constraint of 40MW to 50 MW in the North Bank.

- Mr. Nitin Sabikhi Manager IEX desired to know about the Import capacity of AEGCL.

Mr. Das mentioned that import capacity mainly dependant on CTU's interface points to State. As all of us aware that due to constraint in the Chicken Neck which connect north East States to the rest of the India. Power import from other regions is restricted and presently is limited to 1160 MW (TTC) and 1115 MW (ATC). Though the 800 KV HVDC line was already charged, the ATC is not yet cleared, however the total import capacity is 3000 MW.

A representative from APDCL gave a brief on the action taken report of the 19th SAC meeting.

- 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.

TOD consumption data of consumers under different categories for FY 2014-15 has been submitted. Data for FY 2015-16 will be submitted along with the Tariff Petition.

Present power scenario of the State.

- In the 19th SAC meeting clause 4.1 of Agenda item No2 Mr. Bimal Phukan desired to know about the methodology of calculation of demand by APDCL .APDCL apprised 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 however opined 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.

A representative from APDCL mentioned that the demand data is restricted because of constraints in the Transmission Grid Corridor (132 KV BTPS-Dhaligaon Double Circuit Line), 132KV Samuguri GSS and the distribution network system. APDCL is taking steps to eliminate these network constraints under 24X7 Power for all scheme and in coming years by 2022, the estimated demand forecast of unrestricted power demand is as follows:

	FY2015 (Actual)	FY 2016	FY 2017	FY 2018	FY 2019
Energy Required in MU	7494	8434	10345	12085	13967

Peak demand in MW	1424	1526	1790	2091	2417
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Mr. Anup Gogoi, Prof Deptt. EEE IITG mentioned that the growth of the demand gap (MU) is becoming less as the year progresses. He suggested that the growth should always keep on increasing and mentioned that APDCL should start pushing for more power.

3. Presentation on the Business Plan and capital investment plan petitions for MYT period 2016-19 submitted by the respective utilities.

APGCL:

- i) Mr. Satyen Kalita APGCL CGM (F&A) made a brief presentation on APGCL's Business Plan. The hard copy of the presentation was circulated among the members. He mentioned that in the FY 2015-16 APGCL has turned around and made an after tax profit of Rs.92.80 Lakhs.

During the course of the presentation the Commission enquired whether complete investment of the Silchar Thermal Power Project can be included within the MYT Period 2016-2019. Mr. Eapen Chairman APGCL informed that ONGC has not agreed to supply gas to the Silchar project on firm basis. Infact APGCL is required to arrange the pipelines for transporting the gas to Silchar project from its own investment. He further informed that for construction of gas pipelines huge investment is required and APGCL is in correspondence with ONGCL on the issue. Due to this uncertainty the Silchar project has not been included in the MYT period.

Regarding investment proposed for the existing projects it was informed that the Company estimated more investment in LTPS in the FY 2016-17 as the LRPP project is likely to come into operation only after two years. Therefore, investments are required in Unit5, 6 and 7 of the LTPS plant for better generation during the year. Mr. Kalita also informed that 30.7 Crores is proposed to be invested against special R & M of the existing projects.

Mr. Anup Gogoi, Prof Deptt. EEE IITG enquired whether any steps have been taken to maintain the PH level of the water of the lower Kopili Project. He stated that due to extensive mining in those areas the PH imbalance is recorded in the water bodies which adversely affect the equipments of the units. Mr. Kalita explained that this has been a problem in many projects of the North-East particularly Khangdong where 90% of the generating equipments had to be replaced.He informed that these aspects has been taken into consideration while designing the Lower Kopili project for which the project cost have risen.

Mr. Arup Kumar Dutta, President, AASIA stated that from the presentation, it has become obvious that APGCL proposed to come up with only 4 MW Solar project. Mr. Dutta wanted to know as to whether APGCL was planning to set up any project in the future in collaboration with central Government.

Mr J.K. Sarma, MD APGCL mentioned that APGCL took initiative to set up a 60 MW photovoltaic Solar power project through Joint venture with NEEPCO at Amguri, Sibsagar District and a MOU was signed on 14th July 2014 subject to approval of Board of Directors of respective companies for forming a joint venture company. However, at a later stage, MNRE sanctioned a Solar Park of 69 MW at Amguri for development through JV between APDCL, Solar Energy Corporation of India & APGCL. He also informed that 100 Bighas of land has been allotted to MNRE to develop a pilot Solar plant of 6 MW at the Chandrapur Thermal Power Station (CTPS). Mr. Sarma also informed that APGCL is also planning to set up two solar projects of 2 MW each in the vacant land at Namrup and Lakua Thermal Project stations.

The Commission observed that APGCL should come up with a comprehensive plan for Solar Projects in the State over the next couple of years. The Commission stated that Solar Policy needs to be drafted for the State by the power department so that technology support can be provided to attract investments. Mr. Rajiv Bora, Additional CS, Power, GOA informed that the Department is in the process of drafting a Solar policy and inputs from the Members of this Committee are most welcome.

- ii) Mr. Karuna Sarma AEGCL AGM made a brief presentation on AEGCL's Business Plan. The hard copy of the presentation was circulated among the members.

The following issues were raised during the course of the presentation:

- a) Mrs. Susmita Priyadarshini, Member of the Committee enquired as to why the projected Transmission loss in the FY 2015-16 and 2016-17 were estimated as 3.64%. The Transmission loss were expected to come down on an Annual basis as is estimated for the FY 2017-18 and 2018-19 which is 3.5% and 3.4% respectively.
Mr. Sharma replied that number of new projects are expected to come in the operation only from FY 2017-18 and therefore loss is expected to remain the same for FY 2015-16 and FY 2016-17.
- b) Member Mrs. Susmita Priyadarshini enquired as to whether funds under North East Region Power System Improvement Project (NERPSIP) are forthcoming which is being used for strengthening and Augmentation of the existing network.
Mr. Sharma informed that the first Tranche of NERPSIP fund has been released while the fund for the second Tranche is somewhat not firmed up and it is expected that once this Tranche is received it can be used for augmentation of four Numbers of 22KV Sub-Stations with Transformation capacity of 960 MVA and associated 206 Ckt Km of 220 KV lines and 120 Ckt Km of 132 KV lines.
- iii) Representative from APDCL made a brief presentation on APDCL's Business Plan. The hard copy of the presentation was circulated among the members.

Agenda Item No 4:

Discussion and views of the members of the Advisory Committee on the Business Plan 2016-19 submitted by the utilities.

- A representative from TAIPA stated that the Business plan doesn't suggest any investment on Pre-paid meters. The collection efficiency of APDCL is around 92.87% and stated that the company should devise a plan for installing prepaid meters in industries to improve the Collection Efficiency. The member of the Committee informed that there are around 6000 Tele-Communication Towers in the State and TAIPA had approached APDCL to install Pre-paid meters in their towers. However, the Company has not shown much interest on the proposal. MD, APDCL informed that Pre-Paid meters were being installed in a phase manner under RAPDRP Scheme.

The Commission observed that APDCL should take up the matter with TAIPA and initiate process of installation of Pre-paid meters on Telecom towers on a priority basis.

- Mr. Dilip Kumar Baruah, Retd. Professor, Cotton College enquired regarding the present Debt burden of APDCL and if there was any plan of the State Government to take over the debt burden under the UDAY scheme.

APDCL explained that there is a Debt of around Rs. 1300 Crores and Government of Assam has accepted the UDAY Scheme in principle. He further informed that the decision will be taken on the issue of bonds etc. as per the scheme. MD APDCL further informed that the Rs 1300 Crore are actually outstanding payments to be made to the other utilities like NEEPCO, AEGCL and APGCL and there are no bank debts as such.

- There was a suggestion from a Mr. Arup Kumar Dutta, President; AASIA of the Committee that APDCL should not give subsidized/free power to any category Govt. establishment/consumers. It was clarified that power is supplied in bulk (single point) to all consumers at the prevalent rate and there is no loss to APDCL. The subsidy is given to certain consumers by Govt. and the entire cost of subsidy is borne by the Government of Assam. It was also clarified that giving subsidised/free power is a policy decision of the Government and APDCL is not giving subsidized power to any consumer.
- Mrs. Susmita Priyadarshini enquired as to how yearwise prediction of the Electrification of new households is done by APDCL.

It was clarified by a representative of APDCL that the Data was taken from the GOI power for all schemes and the Compounded annual growth rate (CAGR) have been used to arrive at the numbers

- Mrs Susmita Priyadarshini also enquired as to why the projection for the Distribution loss in FY 2013-14 and 2014-15 remain same. While in other Fiscal

Years the projection graph shows at least a slight decrease in percentage of Distribution loss.

It was informed that there was massive Rural Electrification during the year 2013-14 and 2014-15 which resulted in higher Distribution Loss and therefore the projection was shown same for both the years.

- The Commission wanted to know whether APDCL is aware that once the UDAY scheme is signed, there are certain standards of performance parameter including AT & C loss which would have to be adhered to by APDCL.

MD APDCL informed that if the UDAY scheme have been signed all the Distribution feeders, Distribution Transformers have to metered and AT & C loss have to be restricted to 18%.

- Dr. Birendra Kumar Das, President, Grahak Suraksha Sanstha, Guwahati enquired as to the measures undertaken by APDCL to create consumer awareness.

APDCL informed that number of programmes have been undertaken to increase awareness through radio, television, mobile theatre etc. on a number of issues like electricity safety, use of energy efficient devices, theft of electricity etc.

- Dr. Birendra Kumar Das also suggested that source of bill payments needs to be improved further. He stated that the gap between bill delivery and bill payment is sometime very less and the consumers have to face inconvenience while paying the bills. He also suggested that there should be separate lines for payment for senior citizens and ladies and priority should be assigned while making payment. Further, he suggested that the number of washrooms should be increased in the collection centres. It was informed that APDCL has introduced Kiosk in different Sub-divisions in Guwahati and bills can also be paid through mobile and internet facilities.
- Mr. Rohit Bajaj from IEX suggested that APDCL should buy power whenever necessary from the Indian Energy Exchange as the cost of Power is much lesser than the price of allotted power under long term agreement.

APDCL informed that they were buying power from the Energy Exchanges whenever necessary. APDCL observed that although the price for allotted power and merchant power is higher, even than APDCL chooses to continue buying from these sources as the power availability is certain and APDCL avail advantage of a credit period for the payment and also cost benefit analysis is done during the selection of power purchase for allocated power also.

- Mr. S. Baruah, President, NESSIA informed that they have written to the state Government to decrease the VAT rate on LED lights to 5% from the present 14.5% in order to reduce the price of LED bulbs and encourage more use of such bulbs by the consumers which would help in reducing power consumption substantially.

The Commission requested Additional Chief Secretary Power GOA to take up the matter of the reduction in VAT with Govt. of Assam.

- Mr. Arup Kumar Dutta enquired regarding the smart Grid pilot project which is under implementation by APDCL.

APDCL informed that works regarding this project has been taken up and although the matter was delayed due to non-availability of vendors for smart meters, the issue has now being resolved.

Agenda No. 5: Any other mater

No other matter had come 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

**List of members present in the meeting of the State
Advisory Committee held on 7th July, 2016**

1. Shri Naba Kumar Das, IAS(Retd.), Chairperson, AERC
2. Shri D.Chakravarty, Member, AERC
3. Shri Subhash Chandra Das, IAS(Retd.), Member, AERC
4. Shri Rajiv Bora, IAS, Additional Chief Secretary, Power, GOA
5. Shri K.V. Eapen, Chairman, APDCL, AEGCL & APGCL
6. Shri P. Bujarbaruah, MD, APDCL
7. Shri J. K. Sarma, MD, APGCL
8. Shri G.K.Das, MD, AEGCL
9. Shri Arup Kumar Dutta, President, AASIA.
10. Shri M. P. Agarwal, Chairman, AIMO
11. Smti. Vineeta Parek, Member, AIMO
12. Dr. Birendra Kumar Das, President, Grahak Suraksha Sanstha, Guwahati.
13. Shri Anup Gogoi, Prof Deptt. EEE IITG
14. Shri Rohit Bajaj, V.P. IEX, New-Delhi.
15. Shri Dilip Kumar Baruah, Retd. Professor, Cotton College
16. Smti.Indrani Deb, Chairperson FICCI
17. Smti. Susmita Pryadarshini, Asst. Professor, DCB Girls' College.
18. Shri S. Baruah, President, NESSIA
19. Shri Prakash Tyagi, EN Head, TAIPA
20. Shri Ashok Kumar, O & M Head, TAIPA

Officers of AERC

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

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