



**JOINT ELECTRICITY REGULATORY COMMISSION
FOR MANIPUR AND MIZORAM
AIZAWL ::: MIZORAM**

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No. H. 11019/16/09-JERC

Dated Aizawl, 14th November, 2011

**MINUTES OF THE 7th MEETING OF THE STATE ADVISORY COMMITTEE
FOR THE STATE OF MIZORAM**

Venue : Conference Hall, I & PR Department, Aizawl, Mizoram

Date & Time : 4th November, 2011 at 11:00 am

List of the participants appended.

The 7th Meeting of the State Advisory Committee (SAC) for State of Mizoram began at the Conference Hall of I & PR Department, Aizawl on 4th November, 2011 with a few introductory words from Mr. C. Hmingthanzuala, IAS (Retd.), Chairperson, JERC for Manipur & Mizoram and Chairman, SAC Mizoram. The Chairman then took up the Agenda one after another for the Members of SAC to discuss.

Agenda 1. Confirmation of the Minutes of the 6th SAC Meeting held on 29th June, 2011

After obtaining the nod of the Members present, the Chairman declared the Minutes of the 6th Meeting of the SAC as confirmed. Dr. H. Vanlalhluna, AMFU raised an issue of Action Taken on the decisions taken at the SAC Meeting. Chairman informed him that all decisions taken at the SAC Meetings are immediately intimated to the concerned Department authority for taking necessary follow up actions. It was agreed to include Action Taken Report on decisions of the previous SAC meeting before the SAC members from the next meeting onwards.

Agenda 2. Survey & Investigation of the Consumers

Opening the discussion on the next Agenda, the Chairman briefly explained the pertinence and importance of periodical Survey & Investigation of the Consumers that are required by the Regulations for maintaining a healthy power supply system on one hand and also for establishing a good commercial relationship with the consumers on the other. The Chairman emphasized the need for checking unauthorized and illegal use of electricity with a view to minimizing the loss and increasing the revenue. The Chairman then requested Mr. H. Bihari Singh, Member, JERC (M&M) to elaborate further the technical aspects with which the Members of the SAC would like to familiarize themselves before participating in the discussion.

The Member, JERC stated that the reason for comparatively high AT&C loss from which State of Mizoram has been suffering, is largely attributed to misuse of electricity in different unauthorized forms like direct hooking, meter tampering, meter by-pass arrangement, defective meters and consuming without meters etc. Unless these practices are properly checked and brought under legalized system, the AT&C loss cannot be reduced to the desired level. Therefore, Survey & Investigation of the Consumers that enable the Department to identify the culprits, shall be the first activity of the Department towards loss reduction process.

The Member also reiterated that this kind of mass survey would enable the Department to assess or re-rate the contract demand of the consumer properly as needed by the new two part tariff system, and expressed concern over the overestimation of the contract demand in case of several consumers. Therefore, the Member stressed that the S & I of the consumers that would provide the clear picture on how the consumers are enjoying electricity, shall be the priority task of the Department.

Thereafter, the Chairman requested Mr. Lalnunmawia Sailo, CE (SO) of the P & E Department, to place before the Committee the actions initiated so far on the issues listed in the Agenda note.

Mr. Lalnunmawia Sailo, CE (SO) informed the Committee that the Department, while conducting raid, inspection and surprised visits to the Consumers premises, has found consumers who have been doing mischieves and at the same time, indulging others to do the malpractices, but these cases are very few. The CE(S.O.) added that while the cases of unauthorized extension are many, the theft of energy cases are not much. He however, felt that there are several consumers who are either with defective meter or without meter at all and because of that, the energy is not properly accounted & billed and so also the revenue. This has contributed largely to the AT & C loss of the State. About the repairing and standardization of the defective meters, the CE stated that the Meter testing laboratory presently available in the Department is not well equipped as both the manpower and machinery are not adequate. He was hopeful that new meter could be provided and defective ones could be replaced when the ongoing Central Sponsored schemes like RADRP and RGGVY are successfully implemented in the State.

Participating in the discussion, Dr. H. Vanlalhluna, AMFU, wanted to know the frequency of checking of the Consumers premises. In reply, the CE stated that checking is not very regular, random checking is done monthly and sometimes half yearly. He also informed the Committee that the meter readers who use to visit the premises regularly to read the meters, are instructed to check & inform the authority if such malpractices are encountered.

Mr. Laldingliana Sailo, Mizoram Consumers Union, wanted to know the present percentage loss – improvement of earlier figure of 43 p.c. if any. Dr. H. Vanlalhluna, AMFU, also wanted to know the monthly loss in terms of money. In reply, the CE informed the Committee that the loss percentage remains almost unchanged during the last 3 / 4 months. He however, could not provide the monthly loss in terms of money.

The Member, JERC (M&M) gave a rough estimate of about ` 4 cr as monthly loss, and added that this huge loss has definitely called for a detailed S & I of the Consumers and the Department needs to give priority to it.

Agenda 3. Billing & Billing Efficiency

The Chairman drew the attention of the Members to the next Agenda and briefly explained the important roles to be played by the meter reader cum bill distributor, commercial clerks & computer operators who prepare bills and the accounts man in bringing the commercial success to the Department. The Chairman emphasized the need for maintaining a high billing efficiency with a view to increasing the revenue realization and reducing the loss.

Regarding billing, the CE(SO) stated that the billing has been badly affected by shortage of man power in this front. Dr. H. Vanlalhluna, AMFU, felt that the desired targets have not been achieved because of shortage of manpower. The Member, JERC, was however not convinced by the statement of the CE. Referring to earlier submission of the Department in this regard, the Member asserted that the Department has enough manpower and what is needed is the proper management of the same and deployment of more employees in the area where additional services are required.

The CE (SO) further explained that altogether there are about 20 regular meter readers only and the rest are Muster Roll labourers. As a result, there is always difficulty in achieving the desired billing efficiency and improved AT & loss rate. He therefore, made a fervent appeal to all Members of the Committee and the Consumers Union to recommend the proposal of the Department for arranging additional staffs for this section.

Mr. Laldingliana Sailo, MCU stated that despite having a huge manpower and incurring high expenditure in the form of O & M charge, the P&E Department fails to deliver the goods and output is not satisfactory. Therefore,

he felt that Corporatisation of the Department would only bring about a change in the right direction and fulfil the expectations of all.

The Chairman further pointed out that Power Sector needed to be treated now as a commercial entity that can sustain on its own. Therefore, the Department is required to do a lot of exercise that may help improve its own performance.

The Member, JERC (M&M), suggested that the Department may carry out a detailed study on manpower requirement at different sections, and if necessary, re-deployment of the staffs may be done based on the volume of work to improve not only the billing but the overall performance of the Department also. The Member, JERC, also advised the Department to see if the Village Council in the far flung rural area can be made a single consumer and the commercial responsibilities can be passed on to him for his village. The Member, JERC also expressed the desire to allow all the consumers to pay their bills on all working days and informed the Department further to work out a suitable modality with which the services of the commercial staff can be utilized throughout the month and no restriction on payment of bills by the consumers is imposed during the month end.

Mr. Laldingliana Sailo & Dr. H. Vanlalhluna suggested for engagements of volunteers from YMA and other voluntary organisations for billing and collection of complains from aggrieved consumers.

Mr. N. Shyamsundar Singh, C(E), JERC, suggested that the Department may explore the possibility of getting the meter reading & bill distribution done through outsourcing. He cited examples of Tripura State Electricity Corporation(TSEC), Agartala which engages private parties at the rate of about ` 0.70 paise per consumer.

About the proposal for Corporatisation, the Chairman made it clear that in May, 2009, the Commission deputed the Chief (Engineering) of the Commission to TSEC, Agartala to conduct a field study on how the then Department of Power, Govt. of Tripura, was successfully corporatised in 2005 and the detailed report containing technical, financial and administrative implications of the process, was forwarded to the Chief Secretary of both Manipur & Mizoram for reference and initiation of similar action.

In reply to a question from Pu. Laldingliana Sailo, about assessment of energy consumption in respect of un-metered consumers, the CE (SO) informed that the Department shall conduct the assessment is done as per the provisions of the Regulations in this regard.

Agenda 4. Protection of Consumers Interest

Initiating discussion on the next Agenda, the Chairman briefly explained the reason why the protection of the interest of the consumer is really essential in this business era. The Chairman emphasized the need for more publicizing the provisions of the Regulations to draw awareness of the consumers of all kinds and make them feel that they are well protected and always taken care of by the supplier.

On the advice of the Chairman, the Chief(Engineering), JERC further added that being a supplier, the Department needs to be pro-active while protecting the interest of the consumers on whom it largely depend for its commercial goal. The Department has already established Redressal Forum and Cells at suitable locations all over the State and reportedly the Redressal mechanism has also been made known to consumers. Thus, a perfect platform where the supplier & the consumer can establish a cordial relationship has already been in place. However, the Commission has been receiving "nil" report from the Department over the last several quarters.

The Member, JERC (M&M), reiterated that the performance of the Department and the consumers satisfaction can be meaningfully monitored

through this mechanism and therefore, the Department needs to make it sure that there is no lack of publicity/ sensitization and the system works efficiently. The CE(SO) assured that sensitization process shall be continued with the help of different media and other voluntary organisations. In reply to another question from Mr. Laldingliana Sailo about the decision of the State Government on having another 400 KV Sub-Station nearby the Proposed 400 KV PGCI Sub-Station, the CE (SO) stated that even though both CEA & NEC are not in favour, the Department is still considering it as a necessary for the State.

Agenda 5. Determination of Generation Tariff for Tuivai HEP (3X70MW)

The Chairman took up the last Agenda which was an additional to the list of Agenda circulated earlier, and drew the attention of the Members to it. The Chairman briefly explained the importance of the Agenda in the interest of the public and also the circumstances under which the Agenda was allowed to be included for discussion in the Committee meeting.

The Member, JERC (M&M), informed the Committee that, the Government of Mizoram is keen to develop this Hydro Electric Project under PPP mode with the financial assistance in the form Viability Gap Fund(VGF) from the Govt. of India. The Member further added that VGF, which needs no repayment and no depreciation but forms a part of the total project cost, shall be made available to the developer (PPP) to the extent of 20 p.c. of the total project cost. The Department has short listed 7 nos. of interested bidders after a Request for Qualification (RFQ) bid, is invited couple of months ago. The next bid – Request for Proposal (RFP) which is a price bid, shall be invited by the Department after a predetermined tariff of the project is intimated to it by the Commission. The VGF shall be the bidding criterion while the predetermined tariff/ user charge remains constant for the life term of the project.

The Members present gave nod to the tariff being determined by the Commission after taking the different development perspectives of the State, power availability, price rise, future energy requirement and affordability of the general public etc. into consideration.

The Meeting ended at 2:00 pm with vote of thanks to the Chair.

Sd/- C. HMINGTHANZUALA
Chairman
State Advisory Committee
Mizoram

Memo No.H.11019/17/09-JERC : Dated Aizawl, the 14th November, 2011.

Copy to:

1. P.S to Hon'ble Chief Minister, i/c P&E Department, Govt. of Mizoram for kind information to the Hon'ble Chief Minister.
2. PS to Secretary, P&E Department, Govt. of Mizoram for kind information to the Secretary and for taking necessary action on the Minutes of the Meeting.
3. All Members / Special Invitee / Invitees of the State Advisory Committee for kind information and for taking necessary action on the Minutes of the Meeting.
4. Guard File.

(A. CHHAWNMAWIA)
Secretary
Joint Electricity Regulatory Commission
For Manipur & Mizoram.