



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

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NO.H.11019/27/12-JERC

Dated Aizawl, the 15th March, 2012.

**MINUTES OF THE 8th MEETING OF THE STATE ADVISORY COMMITTEE
MIZORAM**

Venue : Conference Hall, I & PR Directorate, Aizawl (Mizoram)

Date & Time : 27th February, 2012 at 11:00 am

List of the participants appended.

The 8th Meeting of the State Advisory Committee (SAC) for the State of Mizoram was held on 27th February, 2011 at the DIPR, Conference Hall, Aizawl under the Chairmanship of Shri H. Bihari singh, Chairperson, JERC for M&M.

After a brief introductory speech, the Chairman took up the agenda items one after another and placed it before the Committee for detailed discussion.

Agenda 1. Confirmation of the Minutes of the 7th SAC Meeting held on 4th November, 2011

Opening the discussion, the Chairman drew the attention of the Members to the Action Taken Report on the recommendations in the 7th Meeting of the SAC that was circulated in the Meeting and sought for the views and suggestions of the Members.

Pu Lalduhzuala Sailo, SE(Comml), P&E Department, briefly highlighted the actions initiated so far on the recommendations of the previous meeting and assured that the detailed report on Consumers Survey would be available by May, 2012. Pu C. Hmingthanzuala, IAS (Rtd.), Hon'ble Member, JERC for M&M observed that reports received earlier from the Department was merely an instruction issued down the line by the Engineer-in-Chief, P&E Department and did not contain actual actions taken by the Department on the recommendations.

Pu A. Chhawnmawia, Secretary, JERC(M&M) also informed the Committee that the Commission has written several letters to the Department about the wide circulation of the redressal mechanism. The Committee expressed concern over the delay in wide publication/ re-advertisement of the consumers' grievance redressal mechanism and desired it be published in local News papers in details within a fortnight positively.

With these additional recommendations and advice, the Committee finally agreed to declare the Minutes of the 7th Meeting of SAC confirmed.

Agenda 2. Power Sector Reform in Mizoram

The Chairman briefly highlighted the importance of the Power Sector Reform in general and also the additional advantages that would be created by such reform in terms of easier administrative control, distinctive technical responsibility and simplified financial management etc. in particular. These advantages would attract the private parties who are interested in investing and participating in the development of the sector in a big way and this is exactly what the present trend looks for – the Chairman said.

The Chairman thereafter drew the attention of the Members to the two kinds of Measures (Components) of the Reform Process namely Regulatory Measure and Protective Measure for Consumers at which the Electricity Act 2003 has its focus predominantly.

A. Regulatory Measures:

1. Constitution of Electricity Regulatory Commission:

The Joint Electricity Regulatory Commission was established in January, 2008. The Commission has so far framed and notified several Regulations and also issued Retail Tariff Order (2010-11) for the two States.

In addition, the Commission has been organizing interactive Workshops on Consumer Awareness at different places of Mizoram and Manipur. Several copies of "Citizens Charter" written in both English & Local dialect, have also been distributed to the Consumers and other interested bodies.

2. Restructuring of the Utilities and Corporatisation

Taking up the most important agenda item of the day, the Chairman stressed the need for early completion of the restructuring of the Department which has been unduly delayed in Mizoram as well as in Manipur. Restructuring of the Department by unbundling it into three different entities like Generation, Transmission and Distribution would be more advantageous in all respects than managing the vast sector under a single management. These sub-sectors shall have separate machinery, manpower and infrastructure and maintain separate accounts which are required for determination of different kinds of tariff. Therefore, the Chairman emphasized the need for giving priority to the restructuring of the Department particularly when Corporatisation is going to take some more time.

Taking part in the discussion, the SE(Comml) informed the Committee that the Department has submitted a concrete proposal for Corporatisation after it collects various views and suggestions of ASCI, ADBI and other Consultants, in that regard and the matter has been

under examination of the Government. It requires a huge amount of Fund (Approximately Rs. 600 Crores) for which ADBI assistance was sought.

Participating in the discussion, Pu Sangdingliana, Dir. LAD, wanted to know the difference between a Board and a Corporation and also the suitability for a choice out of the two for a small State like Mizoram. In reply, the Chairman made it clear that the Boards are constituted under Electricity Supply Act 1948 which is now repealed while Corporations are established under Company Act, 1956 to run industries smoothly and independently, and most of Boards in the States are already corporatised now. Section 131 of Electricity Act, 2003 mandates for reorganization of State Electricity Boards by formation of Generation Companies, Transmission Licensees and Distribution Licensees.

Therefore, the State of Mizoram may have any kind of organisation to deal with the Power Sector but it has to go for a Corporatisation if the integrated utility (the Department) continues to suffer heavy loss in the business and fails to perform upto the expectations of the consumers.

Pu Laldingliana Sailo, General Secretary, Mizoram Consumers Union suggested that the adequate financial assistance be sought from the Central Government for the Corporatisation of the Department and felt that a Corporatisation only would operate the Sector with the commercial importance in view.

Pu C. Hmingthanzuala, Member, JERC urged the Members of the Committee to recall the discussion in the earlier meeting on segregating manpower, machinery and accounts among the three wings – Generation, Transmission & Distribution. In spite of it, the response from the Department has not been encouraging – the Member opined. Chairman desired that manpower deployment shall be separated for Transmission, Distribution and Generation and separate accounts are maintained.

3. Appointment of Assessing Officer & Appellate Authority

The Chairman briefly explained the duties and responsibilities of the Assessing Officer & the Appellate Authority and also their significant role in the legal proceedings taken up by the Special Court.

Pu Sangdingliana, Dir., LAD however, wanted a more clear meaning about the term “final authority” bestowed to Appellate Authority who is again another officer of the Department, when other Courts are available. In reply, the Chairman stated that all the cases related to power sector are being tried under the EA 2003 in designated courts/tribunal. Appellate Authority is one such authority which is empowered by the Act to take final decision on the assessment of damage caused due to the unlawful consumption of energy by an unauthorized consumer.

Mr. N. Shyamsundar Singh, CE, JERC also expressed the view that even though the Act does not mention about the qualification, experience and profession of an Appellate Authority, it would have been more proper had the Appellate Authority been appointed by the Government by selection from outsiders. By doing so, the natural believe that Appellate Authority may have an inclination towards the Assessing Officers, rather than giving a neutral opinion, could have been eliminated. At the same time, the question of doubt raised by the Dir. LAD would not have come up.

Pu C. Hmingthanzuala, Member, JERC also supplemented saying that the Appellate Authority is expected to give unbiased opinion on the issue. The Chairman expressed the desire to know the practice followed in other States and advised the P&E Department to look into it.

4. Setting up of Special Courts

Importance of Special Courts where the electrical offences like theft of power, theft of conductor & other materials, receiving stolen properties and interfering with energy meters etc., would be tried under the EA 2003 and the relevant penal code, were briefly explained by the Chairman to the Committee.

The Member, JERC also explained briefly the vital role to be played by the Department in detecting and identifying the culprits for which it may have maintained an informal register and further asserted how it would help the special court carry out speedy trial.

Pu Liansangvunga, Under Secretary (P&E), Government of Mizoram, informed the Committee of the advance stage of decisions taken by the Government of Mizoram in this regard and assured that relevant Order is being issued within a few days.

The Committee applauded the decision of the Government.

5. Constitution of State Co-ordination Forum

The Chairman informed the Committee that State Co-ordination Forum is already in place. Co-ordination Meetings are regularly held to discuss off and on many issues the Department came across.

6. Supply of Electricity by Distribution Licensee

Soon after the Chairman gave a brief explanation on the obligation of the Distribution Licensee (the P&E Department) to supply power to the potential consumer within a month from the date of receipt of application, the Member, JERC drew the attention of the P&E Department in particular and that of the Committee in general to a specific statement made in the recent past by a consumer who ran from post to pole and

spent both substantial time and money to get the supply connection. While terming the procedure as cumbersome, the Statement also mentioned about the burden the Consumer shouldered by way of purchasing an energy meter and getting it tested in a laboratory on the insistence of the Department. The Commission has sought for a detailed report from the Department in this regard, however the reply is still awaited. The Member expressed concern over the way the consumer was treated and also for gross violation of Section 43 of the Act by the Department.

Pu Lalduhzuala Sailo, SE(Comml) felt that the delay might be due to locational disadvantages and assured that the same thing does not repeat in future.

7. Installation of meters by Distribution Licensee

The Chairman reiterated that the Committee has already advised the Department to expedite completion of the Installation of meters at all voltage levels including consumer premises as early as possible so that energy audit and other loss reduction measures could be taken up without further delay. However, the progress is still left much to be desired. The Chairman stressed the need for early plugging of the holes where unabated leakages take place continuously in the supply system of the State.

The SE (Comml) informed the Committee that there has been delay in achieving the desired target for metering due to fund constraint and he was hopeful that the problem could be soon solved after 1.60 lakh meters for which procurement action is already complete, are received next year.

8. Establishment of fund for the JERC

The Chairman informed the Committee that the Government of Mizoram has included in its Plan proposal the requisite provision for R&M of the Commission with effect from January 2013. The first Five year term for which the Central Government agreed to bear entire expenditure of the Joint Commission expires on December, 2012.

B. Protection of Consumers' Interest & Quality of Standard:

Giving adequate importance to the protection of Consumers' Interest, the Committee again discussed the different aspects surrounding the consumers.

1. Setting up of CGRF

Initiating the discussion on the issue, the Member, JERC informed the Committee that, inspite of many deliberations on the issue in earlier meetings, the wide and repeated dissemination of the redressal mechanism through print and electronic media has not been done and felt that constant reminders including information about updating of IGRC, are required to be published regularly to draw awareness of the consumers.

Pu Laldingliana Sailo, General Secretary, MCU suggested that a copy of mechanism be furnished by the P&E Department to the Director, DI&PR with the request to issue press release every fortnight from its end. He was hopeful that the Directorate shall take up the issue as an integral part of their duties.

Pu Sangdingliana, Dir, LAD also requested MCU to see if the propagation of the redressal mechanism is possible through its branches in other Districts of the State.

2. Standard of Performance

The Chairman stated that, while determining the performance of the service provider (P&E Department), the Commission shall take into consideration the feedback from Consumers also.

Therefore, the Commission is interested to collect data/ information from other sources (i.e. consumer groups) than the Department, because, the Department submits nil report most of the time even when it is known that some of the consumers are not satisfied with the service of the Department.

The Chairman also informed the Committee that if a licensee (service provider) fails to meet the specified requirements given in the Standard of Performance Regulations, he shall have to pay such compensation to the affected consumer as may be determined by the Commission. Therefore, through the Committee, the Chairman appealed to all the consumers who are aggrieved to go by the regulatory mechanism and reap the reward.

3. Determination of compensation to be paid by the Licensee to consumers

The Chairman reiterated that the Consumer deserves compensation in case he suffers not because of his fault. Therefore, there is an urgent need for publishing repeatedly the complain mechanism with a view to making the consumers aware of what awaits them.

4. Information regarding level of performance achieved, the number of cases in which compensation was made

The Chairman once again drew the attention of the Committee to the fact that the Act requires different kinds of information to be known as key performance indicators in respect of the activities of the licensee, in order to enable the Commission to evaluate the overall performance of

the service provider in a particular period. However, the Commission has not been apprised of this kind of information so far.

Agenda 3. Miscellaneous: Re-allocation of Street Lamps among its Consumers

With the permission of the Committee, Pu Sangdingliana, Dir, LAD placed before the Committee a proposal for re-allocation of Street Lamps particularly in Aizawl among the consumers. This arrangement, which has been necessitated following the functioning of the Aizawl Municipal Council (AMC) would facilitate the respective Consumers to maintain the Street Lamps under its jurisdictions and pay the energy charges.

The Committee informed the Director to apprise the Government of the development and the changes required so that the Government, after considering the financial implications and other administrative parameters, can take a right decision and the P&E Department shall act according to the decision of the Government. The Commission is not involved in interdepartmental process.

➤ **Observations of the Committee**

- (i) The P& E Department must have tried to furnish at least some progress of Consumers Survey.
- (ii) Grievance Redressal Mechanism has not been regularly published.
- (iii) Restructuring of the Department is unduly delayed.
- (iv) Delay in installation of meters at suitable points has caused subsequent delay in Energy Auditing and implementation of loss reduction programme.
- (v) The aggrieved consumers do not lodge complaints to the IGRC and CGRF because they are not aware of the arrangements.

➤ **Recommendations of the Committee**

- (i) The P & E Department shall expedite completion of the Consumers Survey by the appointed date i.e. May, 2012.
- (ii) Publication of Grievance Redressal Mechanism shall be intensified – preferably every fortnight.
- (iii) Restructuring process shall be geared up on priority.
- (iv) The Commercial aspect needs special attention of all concerned.
- (v) In addition to the mechanism, locations, names of the staffs and their telephone numbers of the IGRC and CGRF shall also be made known to the consumers through all available media regularly.

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

Sd/- H. BIHARI SINGH
Chairman
State Advisory Committee
Mizoram

Memo No.H.11019/27/12-JERC : Dated Aizawl, the 15th March, 2012.

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