



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

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No. H. 11019/26/13-JERC

Dated Aizawl, the 24th February, 2017

**MINUTES OF THE 17TH MEETING OF THE STATE ADVISORY COMMITTEE
OF MANIPUR**

**Venue : The Hotel Classic, Regency Hall, Imphal, Manipur
Date & Time : 13th February 2017, 11:00 AM**

The Chairman of the committee, Mr. R.K. Kishore Singh and Chairperson of the Joint Commission for Manipur & Mizoram chaired the meeting. The list of members and participants attending the meeting is appended.

After welcoming the members and the invitees, the Chairperson initiated the agenda wise discussion as below:

Agenda No.1. Confirmation on the Minutes of the 16th Meeting of the SAC, Manipur held on 18th February, 2016.

Requesting the members to their views and comments on the minutes of the 16th SAC and after obtaining nods from the members, the minutes was declared confirmed.

Agenda No. 2. Determination of Retail Tariff for MSPDCL and Transmission Tariff for MSPCL, Manipur.

The Chairman informed the committee members that the main agenda for the meeting was to obtain the views and comments on the above agenda. With the permission of the chair, the Executive Director Technical, MSPDCL, outlined the Tariff Petition that JERC had issued new tariff regulations i.e. Multi Year Tariff (MYT) Regulations in June 2014 and as per the JERC MYT Regulations, 2014 filing of the ARR & Tariff Petition within November every year is compulsory. However, MSPDCL applied for time extension till 20th December, 2016 and with the kind permission of the JERC (M&M), MSPDCL submitted the same in December, 2016.

The projection of cost and data for the proposed ARR and Tariff Petition is based on actual data of the past years and future development plan of the company. The summary of ARR and proposed tariff schedule are reproduced below for perusal and comments by members of SAC Manipur:

i) Summary of ARR for the FY 2017-18 in respect of MSPDCL

(Rs.Crore)

Sl. No.	Particulars	FY 2016-17 Estimated	FY 2017-18 Projected
A	Expenditure		
	Cost of power purchase	329.92	358.74
	Inter-State Transmission charges	51.70	57.45
	Intra-state Transmission charges	38.94	68.58
	Wheeling charges payable to other distribution licensee	0.00	0.00
	O&M Expenses	86.22	93.51
	Depreciation	0.23	0.26
	Advance against depreciation	0.00	0.00
	Interest on Loan	0.14	0.28
	Interest on Working Capital	7.67	8.52
	Provision for bad debt	3.00	3.00
	Total Cost	517.82	590.34
B	Add: RoE	1.56	1.56
	Add: Income Tax	0.39	0.39
	B: Total	1.95	1.95
	Total ARR: A+B	519.77	592.29
C	Less		
	Other Income (Non-tariff income)	0.34	0.37
	Income from other business allocated to Licensed business		
	Subtotal (C)	0.34	0.37
	Aggregate Revenue Requirement (A+B-C)	519.43	591.92

ii) Revenue Gap & Proposed Revenue

ARR, Revenue @ Existing Tariff, Revenue Gap	FY 2017-18 Projected
Annual Revenue Requirement	591.92
Covered by	
Revenue @ Existing Tariff	240.57

UI/ trading Receivable	49.06
Total Revenue from sale of energy	289.63
Revenue Gap/(Surplus)	302.29
Covered by	
Budgetary Support From Govt.	271.26
Additional Revenue @ Proposed Tariff	31.03
Total	302.29
Net Gap/(Surplus) to be addressed	0

iii) Average Cost of Supply & Revenue Realization

Average Realization & Cost of Supply	FY 2017-18
(Rs. Per Unit)	
Average Cost of Supply of MSPDCL	9.96
Average realization from sale of power	4.41
Revenue Gap at existing Tariff	5.55
Covered By:	
Budgetary Support	4.98
Additional Revenue through Proposed Tariff	0.57

iv) Comparison of the Proposed Tariff Schedule for FY 2017-18 with the existing tariff for FY 2016-17.

Tariff Schedule

Sl.No	Category & Consumption Slab	Existing Tariff for FY 2016-17		Proposed Tariff for FY 2017-18	
		Fixed Charges	Variable Charges	Fixed Charges per month (Rs.)	Variable charges per month (Rs./Kwh)

		per month (Rs.)	(Rs./kwh)		
	LT SUPPLY				
1	Kutir Jyoti				
	First - 15 kwh/Month	20	1.4		
	Above 15 kwh/Month	20	2.5		
	First - 45 kWh/month			20	1.60
2	Domestic				
	First - 100 kwh/Month	60	3.2	70	3.60
	Next 100 kwh/Month	60	3.8	70	4.20
	Above 200 kwh/Month	60	4.7	70	5.10
3	Non-Domestic/Commercial				
	First - 100 kwh/Month	80	4.2	90	4.85
	Next 100 kwh/Month	80	5	90	5.75
	Above200 kwh/Month	80	5.9	90	6.80
4	Public Lighting	65	5.5	75	6.35
5	Public Water Works	100	5.5	115	6.35
6	Irrigation & agriculture	60	3.25	60	3.25
7	Small Industry	65	3.25	70	3.65
	HT SUPPLY				
1	Commercial	100	5.7	120	6.55
2	Public Water Works	100	5	115	5.75
3	Irrigation & Agriculture	100	3	105	3.15
4	Medium Industry	100	4.3	115	4.95

Sl.No	Category & Consumption Slab	Existing Tariff for FY 2016-17		Proposed Tariff for FY 2017-18	
		Fixed Charges per month (Rs.)	Variable Charges (Rs./kwh)	Fixed Charges per month (Rs.)	Variable charges per month (Rs./Kwh)
5	Large Industry	100	5	115	5.75
6	Bulk Supply	100	4.6	115	5.35

v) Recovery of Transmission ARR :

The MSPDCL being the only long-term transmission user of transmission system of MSPCL, the transmission ARR of Rs. 68.58 crore of MSPCL is proposed to be recovered entirely from MSPDCL as **Fixed Monthly Charges**. The monthly transmission charges proposed for MSPCL works out to be Rs. 5.72 crores per month.

With the permission of the chair, the Executive Director Technical ,MSPCL, outlined the Tariff increase in MSPCL is mainly due to the increase in Employee strength. Chief (Engg.), JERC stated that MSPCL has proposed for recruitment for 953 employees but it is not clearly reflected in MSPCL – ARR.

Mr. Irengbam Arun, Sr. Journalist stated that increase in staff strength in both the company may please explain whether the increased staffs are actually required or not. In reply to Mr.I Arun, Executive Director MSPDCL, Mr. Ng. Sarat Singh explains the actual necessity of staffs citing one example of Keibi Sub Station mentioning that the subsataion was inaugurated long time back but can't make functional due to lack of staffs not only this there are many more sub stations laying like this or functional with one staff.

In line with the topic Mr. Ch. Ibohal Meitei added that both the Company should highlight the manpower requirement / existing manpower / proposed manpower & vacancy post. Adding to Mr. Ch. Ibohal, Dr. M. Binota Devi, Associate Professor, Dept. of Economics, Imphal College, Imphal added that considering the cost of production, level of recruitment may be done.

In reply to Mr. Ch. Ibohal Meitei & Dr. M. Binota Devi, ED Tech, MSPCL state that both the Company's has all the justifications and accordingly recruitment processes are executed. Finally, Mr. I Arun added that if both the Companies are having proper justification there is no objection even in recruiting more also.

Agenda 3: Review of various works in Manipur under Manipur State Power Distribution Company Ltd & Manipur State Power Company Ltd.

With the permission of the chair, the Executive Director Technical, MSPDCL, outlined the progress of various works in various schemes undergoing in MSPDCL like:

- i) R-APDRP (Re-Structured Accelerated Power Development & Reform Programme)**
- ii) Refurbishment & Enhancement Plan under State Funding :**
- iii) Integrated Power Development Scheme (IPDS)**
- iv) 12th Plan RGGVY / DDUGJY :**
- v) District wise Pre Paid metering under R-APDRP (Part-B) & State Plan :**

With the permission of the chair, the Executive Director Technical, MSPCL, outlined the progress of construction of works on 33/11 KV nearing to completion of work and under construction citing the target of completion.

The Chairman JERC, added that for energy accounting accurate energy meter is required. In line with the Chairman, Executive Director Tech, MSPCL state that MSPDCL is in the process of installing boundary meter, pre-paid meter with the completion target by June,2017 so as in the next tariff petition there should not be unmetered category.

Agenda 4: T & D Loss

With the permission of the chair, the Executive Director Technical, MSPDCL, outlined & highlighted to the SAC members as :

1. Reason of High Loss

Technical losses:

- a) Inadequate size of conductors for Distribution Network
- b) Ageing of ACSR conductor (Weasel)
- c) Electrification through long 11KV HT and LT lines
- d) Installation of DTR far away from load centre
- e) Low voltage at the consumer end

Commercial losses:

- a) Unauthorized consumers
- b) Bypassing of prepaid meter/ hooking directly from naked line
- c) Unmetered consumers

Measures taken to reduce losses:

Technical:

- a) Under centrally sponsored R-APDRP part-B scheme, under 13 towns, infrastructure development of the distribution system is being taken up since 2014-15. MSPDCL also stated the achievement under the scheme

- b) Also in remaining areas not covered under R-APDRP Part-B scheme, AB cabling is being undertaken under State funding under **Refurbishment & Enhancement Phase-I & Refurbishment & Enhancement Phase-II.**
- c) Furthermore, an integrated Power Development Scheme (IPDS) has been approved and sanctioned for system improvement in remaining town areas all over Manipur to reduce AT&C loss.

Commercial:

- a) Pre-paid metering is being taken up under both R-APDRP Part-B scheme and State funding as well.
- b) Raids are executed at sub-division level to take necessary action on theft of Electricity as per Electricity Act 2003.

2. Suspected High Loss Areas

- a) Newly electrified rural areas are not being handed over to the concerned division leading to energy being consumed by the areas but not billed. This adds to the energy losses.
- b) Hilly areas, where installation of pre-paid meters or post-paid meters is not feasible, also account for energy losses.
- c) Areas having naked LT lines leading to theft of energy or unauthorized connection.

Measures taken:

MSPDCL is in the process of identifying other high loss areas. Currently, boundary meters are being purchased and the installations of boundary meters for all the remaining areas apart from RAPDRP covered towns are expected to be completed in the following financial year FY 2017-18. The energy data from these meters would enable MSPDCL to identify high loss areas after assessing the losses in different areas and help devise targeted measures to lower the losses.

3. Whether all consumers (including public lighting) are metered or not. If not, expected date of 100 % metering.

As of 20/1/2017, the number of pre-paid meters installed is 3,21,181, out of which 2,72,240 meters have been activated. MSPDCL is focused to complete the targets by the end of June 2017. Other uncovered areas will be covered by Single Point DT metering. About 1,119 villages are proposed to be covered under Single Point DT Metering. For the first phase, procurement of 794 DT meters is under process.

4. Whether all transmission and distribution lines, from 132 KV level down to 11 KV level, are metered or not. If not, expected date of completion. Metering of

transmission & Distribution lines is important to ascertain the actual loss at different voltage level.

MSPDCL is currently purchasing the boundary meters meant for installation at 11 KV level in all the areas where they are not present. The installations are expected to be completed in the following financial year FY 2017-18 (June,2017). ED of MSPCL also committed that all system metering will be completed by June,2017.

5. Whether MSPDCL will be able to furnish actual losses based on energy meter record by end of March 2018.

MSPDCL is currently purchasing the boundary meters meant for installation at 11 KV level in all the areas where they are not present. The installations are expected to be completed in the following financial year FY 2017-18. MSPDCL shall ensure to furnish actual losses based on energy meter record by end of March 2018.

6. Can SAC expect consistency of figures of loss in various reports and tariff petitions

Currently MSPDCL has almost all the consumers in the 11 KV distribution network. While the losses for 33KV network is around 6 % and the distribution losses for 11 KV network is in the range of 37.55 % (as examined and found by JERC vide letter No 20019/4/08-JERC dated 23rd June, 2016), the actual losses can only be accurately found out by the energy meter record after 100 % metering of 11 KV feeders and distribution transformers. This will ensure consistency of figures of loss in various reports and tariff petitions.

7. Whether the department required SAC to advise the State for giving more fund by way of getting normal funding or loan for quick and sustainable reduction of losses at different voltage level.

MSPDCL would like to highlight certain points which need to be considered for more funds from the State.

- a) The energy sales figures projected in the ARR and tariff filing every year often do not materialize. This results in lower revenue realization.
- b) The tariff hike every year is far from the trajectory as per UDAY MOU signed by the State with the Ministry of Power to achieve operational efficiency targets of reducing the AT&C losses to 15% by FY 2019 from the current levels of AT&C losses at 47.17% for FY 2015-16. As a result, various measures taken for reducing losses often face obstacles due to funding shortfall.
- c) The disbursements for power procurement cost should be timely and maintained as per the amount approved. Most of the times due to delay in disbursements by the State government, the surcharges on power purchase bill account for additional costs. Timely disbursements could ensure minimizing such additional cost burden on MSPDCL.

Mr. Elangbam Dorendro Singh, Advisor, All Manipur Power Consumer's Association stated that why MSPDCL is procuring power at higher rate while power is available at cheap rate in the market and fixed asset lying non-functional and the liabilities

are loaded to the consumers. In reply to Mr. E. Dorendro, Mr. L. Priyukumar Singh, Executive Director, MSPDCL explains the whole scenario of power purchase done through IEX & power exchange in long term & short term. Lastly, ED Tech, MSPDCL appeals to the Commission to come up with a policy in the theft of energy.

Lastly, members of State Advisory Committee proposed for rate hike in sitting charge of the SAC members.

The Committee recommends the tariff hike based on thorough examination of the Tariff Petitions of MSPDCL and MSPCL for FY 17 – 18.

Answering the question of Chief (Engg.), JERC, the ED (Tech.), MSPDCL confirmed that in FY 2018-19 Tariff Schedule, unmetered tariff can be removed.

The Meeting ends at 14:30 hrs with a vote of thanks from the Chair.

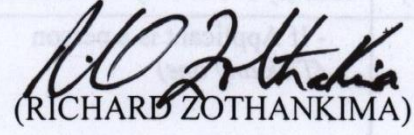
Sd/- R.K. KISHORE SINGH
Chairperson

Memo No. H. 11019/26/13-JERC

Dated Aizawl, the 24th February, 2017

Copy to:

1. Secretary to Hon'ble Chief Minister, i/c Electricity Department, Gov't of Manipur for kind information to the Hon'ble Chief Minister.
2. Secretary, Electricity Department, Gov't of Manipur for kind information and for taking necessary action on the Minutes of the Meeting.
3. All Members / Invitees of the State Advisory Committee for kind information and for taking necessary action on the Minutes of the Meeting.
4. Guard File.


(RICHARD ZOTHANKIMA)
Assistant Secretary