

## Annual Report 2010-11

### **The Commission:**

Soon after the promulgation of the Electricity Act, 2003, in June 2003, the Ministry of Power, Govt. of India took initiatives of different kinds to ensure that the State Electricity Regulatory Commission (SERC) which is a mandatory requirement, jointly or singly in all the States of the Country without much delay.

Prior to that, the Central Electricity Regulatory Commission was created under Electricity Regulatory Commission Act, 1998 and few States, starting with Orissa have also created SERC either under the Central Act or under their own Reforms Acts. Both the States of Manipur and Mizoram were perhaps not keenly aware of the reformative process and regulatory impetus.

The two States opened their eyes only after the wake-up call in the form of a carefully orchestrated developmental campaign is received from the Ministry of Power. It was also realised then only that the Central Plan Assistance as well as the Assistance for Centrally Sponsored Schemes for the States in power sector are linked with the fulfilment of mandatory requirements by the EA, 2003.

The States took the advice of the Ministry on the creation of a Joint Electricity Regulatory Commission and its financial implications and finally opted for it when the Govt. of India accepted to bear entire expenses (excluding that an office Accommodation) of the Commission for the first five years. A Memorandum of Agreement to this effect was signed on 23<sup>rd</sup> July, 2004 amongst the Government of India, the Government of Manipur and the Government of Mizoram.

The contents of the Memorandum of Agreement are briefly reproduced below:

Whereas the States of Manipur and Mizoram hereinafter referred as participating States have felt the need for creation of an independent Electricity Regulatory Commission to regulate the affairs of power sector in these States, and

Whereas the States of Manipur and Mizoram have agreed to authorize Government of India to constitute a Joint Electricity Regulatory Commission under the provisions of Section 83 of the Electricity Act, 2003.

Now, therefore, we the signatories enter into following agreement:

- i. This agreement will be valid for a period of 20 years from the date of signing. The agreement can be extended beyond the expiry for a period of not less than 5 years at a time. If the agreement is not extended beyond the period of 20 years all the costs arising out of expiry of the agreement will be shared equally by the participating States.
- ii. It is agreed that the name of the Joint Commission shall be Joint Electricity Regulatory Commission for Manipur and Mizoram hereinafter referred to as Joint Commission.
- iii. It is agreed that the head office of the Joint Commission shall be at Aizawl. The Commission shall consist of two Members one each from the participating States.
- iv. It is agreed that the Chairperson shall be appointed from among the Members by rotation for tenure of one year. The Member selected for the State of Manipur will be first Chairperson of the Joint Commission.
- v. The Joint Commission will have sittings within the concerned State keeping in view the convenience of the stakeholders including the consumers, for which the concerned state government will provide necessary administrative facilities.
- vi. It is agreed that the Selection Committee for the purpose of selection of members of the joint Commission shall be as follows:
  - a) a person who has been a judge of the Guwahati High Court to be nominated by the Chief Justice of Guwahati High Court on the request of Government of India---- Chairperson
  - b) Chief Secretary Manipur--- Member
  - c) Chief Secretary Mizoram--- Member

d) Chairperson of CEA or Chairperson of CERC --- Member

It is further agreed that the Union Government shall notify the constitution of the Selection Committee. (Chief Secretary, Mizoram, will be the member-convenor of the Selection Committee).

- vii. It is agreed that Government of India shall make a reference to Selection Committee for selection of Member.
- viii. It is agreed that each of the participating State may send name of candidates for consideration of the Selection Committee for the post of Member. The Selection Committee will consider these names along with other suitable candidates.
- ix. The Selection Committee shall recommend panel of two names for every vacancy referred to it.
- x. It is agreed that the Government of India shall appoint the Chairperson and the Members of the Joint Commission.
- xi. It is agreed that the members would be paid salary and allowances equivalent to that of an Additional Secretary to the Government of India and other conditions of service of Chairperson and members of the Joint Commission will be decided by the Government of India. The Government of Mizoram has offered free accommodation for the office of the JERC. It would also provide residential accommodation to the Members and staff of the Commission on normal terms.
- xii. It is agreed that every Member before entering upon the office shall subscribe to an oath of office and secrecy before the minister of Power, Government of India.
- xiii. It is agreed that powers vested on the State Government under Section 89 (4) (b) & Section 90 of the Electricity Act, shall be exercised by the Government of India.
- xiv. It is further agreed that the Government of India will decide the number and nature and category of posts of officers and employees and their pay scales and other service conditions.
- xv. It is agreed that respective State government shall be competent to issue direction under Section 109 (a) of the Electricity Act, 2003.

- xvi. It is agreed that the Joint Commission may be notification set up different Advisory Committees for different States as provided in Section 87 of the Electricity Act, 2003.
- xvii. It is agreed that the Joint Commission shall prepare its budget in accordance with the provisions of Section 106 of the Electricity Act, 2003 and forward the same to the Government of India.
- xviii. It is agreed that the expenditure of the Joint Commission during the first 5 years will be met from the grant provided by the Union government and thereafter it will be shared equally by the participating states. Participating State after the expiry of first 5 years from the year of Constitution of the Regulatory Commission will make lumpsum budget provision to their share and transfer the amount in four equal instalment in the month of April, July, October, January in each financial year to the Joint Commission. It is also agreed that if any of the State fails to make contribution within 30 days of the month, this agreement grants the authority to Central government to deduct the amount from the central Plan Assistance of that State and transfer it to the joint Commission.
- xix. It is agreed that accounts of the joint Commission as certified by the Comptroller and Auditor General of India or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the Government of India/all the participating States (after five years) for laying before the parliament/respective State Legislature.
- xx. It is agreed that all the participating States shall lay annual report of the Joint Commission before the State Legislature.
- xxi. It is agreed that Government of India will frame the rules to carry out the provisions relating to Joint Commission.
- xxii. It is also agreed that all rules made for Joint Commission and regulations made by the joint Commission shall be sent to the participating states for laying before the State Legislature.

- xxiii. It is agreed that any difficulties in giving effect to any provisions of this Agreement shall be referred to the Government of India for its decision.
- xxiv. It is agreed that no participating State will \_\_\_\_\_ agreement during the period of the agreement.

Agreed on this 23<sup>rd</sup> day of July, 2004 at New Delhi.

Signed on behalf of:

1. Government of Mizoram  
Rochila Saiawi  
( Commissioner & Secretary (Power)
  
2. Government of Manipur  
Ch. Birendra Singh  
Commissioner (Power)

Signed on behalf of Union of India  
.....Kumar

As per the terms and conditions of the Agreements, a notification was issued by the Government of India vide Ministry of Power No. F. 23/2002-R&R dated 18<sup>th</sup> January, 2005 constituting the Joint Electricity Regulatory Commission for the States of Manipur & Mizoram.

The Commission came into existence on 24<sup>th</sup> January, 2008. When the two Members, Mr. H.B. Singh (Manipur) and Mr. Rin Sanga, (Mizoram) assumed office after the Hon'ble Minister for power administered the oath of office decorum and secrecy to them.

**The Mission:**

The Joint Electricity Regulatory Commission for Manipur & Mizoram, shortly known as JERC for Manipur & Mizoram is committed to honour and translate into reality its own pledge as assigned by the Electricity Act, 2003 that the power sector in the States of Manipur and Mizoram shall be developed as an

Industry which is efficient, commercially and financially self sustained and consumer friendly. The Commission also determines to strike balance of interests of all the stakeholders while fulfilling its primary responsibility to ensure supply of reliable power to the Consumers of these two States at reasonable and affordable sales. It is guided by the principle of good governance and national policies in discharge of its functions. It also safeguards the interest of the States and protects the Consumers as well.

1) Section 86 of the Electricity Act, 2003 deals with the function of the State Commission. As per section 86 (1), the State Commission shall discharge the following functions, namely:-

- a) Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State.
- b) Regulate electricity purchase and procurement process of distribution licenses including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- c) Facilitate intra-State transmission and wheeling of electricity;
- d) Issue licenses and electricity traders with respect to their operations within the State;
- e) Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- f) Adjudicate upon the dispute between the licensees and generating companies and to refer any dispute for arbitration;
- g) Levy fee for the purpose of this Act;
- h) Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

- i) Fix the trading margin in the intra-state trading of electricity; if considered, necessary; and
- j) Discharge such other functions as may be assigned to it under the Electricity Act, 2003.

2) As per the section 86 (2) of the Electricity Act, 2003, the State Commission shall advise the State Government on all or any of the following matters, namely:-

- a) Promotion of competition, efficiency and economy in activities of the electricity industry;
- b) Promotion of investment in electricity industry;
- c) Re-organization and restructuring of electricity industry in the State;
- d) Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the Government.

3) As per Section 86(3) of the Act, the State Commission shall ensure transparency while exercising its powers and discharging its functions.

4) As per the Section 86(4) is discharge of its function, the State Commission shall be guided by the National Electricity Policy, 2005, National Electricity Plan and Tariff Policy, 2006 published under sub-section 3 of the Electricity Act, 2003.

### **Information for State Consumer**

In the interest of the general consumers of the States of Manipur and Mizoram, the following vital information are collected from different sources and presented in this report.

### **Rural Electrification (As on 2010-11)**

#### **1) Progress Report of Village Electrification as on 31.03.2011**

#### **Rural Electrification**

Sl.No	Name of States	No. of Village	Villages Electrified	P.C. Electrification
1	Manipur	2315	1997	86.30
2	Mizoram	707	623	88.12
3	Assam	25124	24243	96.50
4	Tripura	858	557	64.90
5	All India	593732	537947	90.60

Source : CEA, MOP, GOI

## 2) Annual Per Capita Consumption of Electricity

### Energy Consumption

Sl.No	Name of State	Gross Energy available (Utility+Non-Utility)(GWH)	Population (Lakh)	Per Capita Consumption (Units/Head/Annum) 2008-2009	2009-10
1	Delhi	23676.85	172.30	1374.16	1651.26
2	Gujarat	83225.87	571.10	1457.29	1615.74
3	Manipur	575.30	23.80	241.73	240.22
4	Mizoram	370.72	9.80	378.29	376.99
5	Assam	5906.93	296.60	199.15	208.80
6	Meghalaya	1671.22	25.50	655.38	675.19
7	Tripura	715.18	35.10	203.75	335.47
8	Nagaland	494.90	21.80	226.98	218.03
9	Arunachal Pradesh	536.93	12.00	447.47	470.00
10	All India	846726.86	11543.02	733.54	778.71

## 3) Transmission & Distribution Losses (As on 2008-2009)

Sl. No	Name of States	Losses T&D (%)	2006-2007	2007-2008	2008-09
1	Delhi	22.22	33.00	28.65	
2	Punjab	23.08	26.61	22.82	
3	Karnataka	17.03	25.91	18.87	
4	Tripura	35.78	34.75	42.81	



5	Manipur	63.37	53.47	63.56	
6	Mizoram	52.70	38.18	44.63	
7	Assam	37.59	33.69	38.60	
8	All India	25.47	28.65	27.20	

#### 4) Impact of Man power on Tariff

Sl.No	Name of States	Employee Cost (Rs. In lakhs)	Gross Units Sold (MU)	Employee cost per Unit (Rs)
1	Delhi			
2	Gujarat			
3	Meghalaya			
4	Punjab			
5	Manipur	6399	369.93	1.73
6	Mizoram	7656	300.34	2.55
7	Assam			
8	All India			

It may be seen from the above table that employee costs in respect of Manipur and Mizoram are really high.

#### 5) Average Tariff Approved by Respective Commission for FY 2010-11.

Sl. No	State	ACS	Subsidy	Average Tariff
1	Assam		Nil	
2	Tripura	NA	NA	Rs. 4.45/unit
3	Manipur	Rs. 5.10/unit	Rs. 55.56 crore	Rs. 3.73/unit
4	Mizoram	Rs. 7.16/unit	Rs. 115.00 crore	Rs. 3.30/unit