



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

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**NO.H.11019/27/12-JERC**

***Dated Aizawl, the 5<sup>th</sup> June, 2012.***

**MINUTES OF THE 9<sup>th</sup> MEETING OF THE STATE ADVISORY COMMITTEE OF  
MIZORAM**

**Venue : Conference Hall, I & PR Directorate, Aizawl, Mizoram.**

**Date & Time : 28<sup>th</sup> May, 2012 at 11:00 am**

List of the participants appended.

The 9<sup>th</sup> Meeting of the State Advisory Committee for the State of Mizoram was held on 28<sup>th</sup> May, 2012 at the Conference Hall, I & PR Directorate, Aizawl, under the Chairmanship of Shri H. Bihari Singh, Chairperson, JERC for M&M.

In his welcome speech, Pu. A. Chawnmawia, Secretary, JERC for M&M and Member - Secretary, SAC Mizoram, informed the Committee of the retirement of Pu. C. Hmingthanzuala IAS (Rtd), Member, JERC last month and the appointment of a new Member representing Mizoram in near future and also requested all the Members to take part in the discussion on a cause of the State.

The Chairman also informed the Committee that the 9<sup>th</sup> Meeting of the SAC could have been arranged after the new Member joins the Commission. However, it was decided to have the meeting early as the determination of Retail Tariff for the State of Mizoram was already delayed on one hand and the discussion on different aspects of each of the components of the annual expense and the proposed new tariff by the Committee was

needed before public hearing on the other. The Chairman then initiated the discussion agenda wise.

**Agenda 1. Confirmation of the Minutes of 8<sup>th</sup> Meeting of SAC held on 27<sup>th</sup> February, 2012**

Dr. H. Vanlalhluna, President, All Mizoram Farmers' Union (AMFU) wanted to have the details of the Action Taken on earlier recommendations of SAC by the Department/Government, before the next agenda is taken up. The President, AMFU expressed concern particularly over the initiatives taken by the Department to motivate the innocent/ general consumers through lectures/ debate/ interactions in the educational institutes as agreed upon in earlier meetings.

Pu. K Lalhminthanga, President, Mizoram Chambers of Industries and Commerce (MCI&C) also supplemented that actions on the previous resolutions must be put in black and white for record and reference.

In reply, Pu. C.L. Thangliana, E-in-C, P&E Department, informed the Committee that the Department has already started making publicity and drawing awareness of the consumers through local channels of the electronic media and other print media of Aizawl and other districts. The E-in-C further stated that the publicity is being continued in a big way to cover more consumers in the State.

The Chairman reiterated that recommendations of the SAC are considered by the Commission and necessary actions are taken up with the State Government and concerned Departments. Action Taken reports will be placed before the SAC in future.

The Committee gave nod to the declaration of the Minutes of the 8<sup>th</sup> Meeting of the SAC Mizoram as confirmed.

**Agenda 2. Determination of Tariff for the P&E Department, Mizoram for the FY 2012-2013**

The Chairman then took up the next agenda and drew the attention of the Members to the general background and a brief note of the Tariff Petition filed by the P&E Department, Mizoram for FY 2012-2013.

Dr. H. Vanlalhluna, President, AMFU, wanted to know from the concerned authority the tentative date on which the Load Shedding in the State will be lifted and measures to control theft of energy. Expressing concern over the load shedding the P&E Department resorted to during the peak hours, Pu. K. Lalhmingthanga, President, MCI & C, also wanted to know the detailed programme being evolved by the Department for improvement of power supply and for lifting load shedding in the State.

Pu. C.L. Thangliana, E-in-C, P&E Department explained elaborately how power supply is managed in the State of Mizoram. The E-in-C stated that against a restricted requirement of 80 MW (unrestricted being 100 MW or so), the State is supposed to get about 73 MW of power as its allocated share from the Central Sector Generating Stations. However, the actual receipt from these Stations at an average varies from 50 MW to 60 MW depending upon the operational limitations the plants have due to shortage of water, technical snag in the machine & the transmission lines that pass through inhospitable areas etc. The State's own generation is about 20 MW. Therefore, there is a shortfall of about 30 MW during the peak hours in the State. This is the main reason why the Department is very unwillingly resorting to load shedding for few hours in rotation in the State.

About the measures taken for improvement of the situation, the E-in-C went on to explain that substantial reduction of Loss through the implementation of specific programmes over of a period of three years or so from now, under R-APDRP [Re-structured Accelerated Power Development and Reform Programme] would help the State increase its availability of power to the advantage of the Consumers. The gradual reduction of loss from the present level of about 30 p.c. to a standard level of 15 p.c. would be accomplished by

then and resultant saving of about 10 MW would enable the Department to reduce the Shedding time.

Besides the internal measure, the Department is also expecting its share of 22 MW from Gas Based Power Plant (726 MW), ONGC and Tripura Power Corporation Ltd (OTPC), Palatana, Tripura, from July, 2012 onwards and this will provide much relief to the consumers of the State. Another 32 MW of power will also be received by the State from NTPC Power Plant (750 MW) at Bongaigaon in near future. The E-in-C was hopeful that with these near completion projects in line, the Department may not find any difficulty in the power supply management of the State.

Under the long-term measures, the E-in-C apprised the Committee of the large, medium, small hydro projects which are in pipeline and at various stages of survey & investigation by different agencies.

Coming again to point of the high ATC loss rate in the State, Pu. K. Lalhingthanga, President, MCI & C informed the Committee that theft cases are rampant in the State and behind every case, there is apparently a hand from the Department side. This needs to be checked at all cost to help reduction in tariff for the regular and honest consumers.

Dr. Lalrinthanga, Economics Department, Mizoram University, also stated that theft cases could not be detected even though large number of theft cases are happening in many areas. Simply because, the confidentiality could not be maintained and the thieves came to know about the detection drive in advance. Therefore, Dr. Lalrinthanga felt that Department Staffs are deliberately involved in the process. The head of the Department should take appropriate action to check and control it.

The Chairman drew the attention of the Committee to the very high cost of purchase of power constituting 54 p.c. of the proposed ARR. The Supplementary Bills for an amount of ` 41.82 crores included in the power purchase cost of 2012-13 is for the Energy purchased in previous years for which revised tariffs are determined retrospectively by the Central Electricity Regulatory Commission. The Chairman also briefly explained about the would -

be impact on the retail tariff by such payment. The Committee Members deliberated at length. Finally, it was decided, keeping in view the tariff support to the extent of ` 234 crores from the State Government to respect the decision of the CERC.

The Employee Cost, which is all time high was discussed next. Dr.H. Vanlalhluna, President, AMFU, Pu. K. Lalhmingthanga, President, MCI & C and Pu. Sandingliana MCS, Director, LAD took part in the discussion on high employee cost and its impact on the consumers of the whole State. The Chairperson, JERC stated that the manpower productivity of employee per kilowatt-hour in Mizoram is the highest in the country.

Offering his views on it, Pu. C.L. Thangliana, E-in-C stated that, for small State like Mizoram where prospects for employment in private sector are practically negligible, the State Government may have specific policy for employment at different grades. That may be the reason behind accepting such a huge tariff support by the State Government. The Chairman also supplemented saying that employment in public sector is an issue on which the State Government alone takes the decision.

The projected R&M expenses for the FY 2012-13 is 4 times the approved R&M cost of 2010-11 and is very high. The Committee decided to accept the amount of R&M Expense considering the permissible amount as per the Regulations.

In the matter of tariff, the Chairman informed the Committee that the P&E Department has proposed a rise of 6 p.c. above the previous tariff (FY 2010-11). The Department has also proposed non-telescopic type of billing – same as the prevailing type, to the consumers. This kind of billing is found to be simpler and it also keeps the consumer informed of economic use of electricity.

Dr. H. Vanlalhluna, President, AMFU felt that a rise of 15 paise per unit in respect of Agriculture Consumer, as proposed by the P&E Department, is high apparently.

Pu. Sandingliana MCS, Dir, LAD once again raised the issue of payment of electricity charges for the Street Lamps by LAD, and informed the

Committee of the hardship the LAD is finding in mobilizing the fund for it in the absence of any Budget Provision. The Chairman reiterated that fund for the maintenance of the street light needs to be provided and informed the Member to pursue the matter with the State Government.

➤ **Observations of the Committee**

1. Supplementary Bills which are prepared with retrospective effect, shall not create Tariff Shock.
2. Employee Cost is very high and its impact on tariff is tremendous.
3. Repair & Maintenance Cost is high.
4. Loss rate is still high.
5. Progress of Power Projects is left much to be desired.

➤ **Recommendations of the Committee**

1. The State Government may foot the supplementary and unforeseen bills, so that it is not loaded on the consumers.
2. Different Employment Policy may be adopted by the State Government in respect of the power sector in order to make the tariff affordable and consumer friendly.
3. The P&E Department shall expedite collection of more revenue from consumers and minimize the R&M expenses.
4. Stringent actions may be initiated to wipe out theft of power cases and reduce loss rate.
5. Collective Efforts may be made to complete early the hydro power projects in the pipeline and run the sector as an Industry.

The Meeting ended 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 5<sup>th</sup> June, 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.

Sd/-  
(A. CHHAWNMAWIA)  
**Secretary**