No.H.11019/26/13-JERC
JOINT ELECTRICITY REGULATORY COMMISSION
FOR MANIPUR AND MIZORAM
AIZAWL : MIZORAM

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Dated Aizawl, the 27th February 2014

MINUTES OF THE 13TH MEETING OF THE STATE ADVISORY COMMITTEE : MANIPUR

Venue	**:**	**Hotel Classic, Regency Hall, Imphal**
Date & Time	**:**	**20th February, 2014 (Thursday) 11:00 am**

Mr. N. Shyamsundar Singh, Chairperson of the Commission and Mr. A. Chhawnmawia IDES (Rtd.), Member of the Commission were on the dais.

The Chairman welcomed the Members of the Committee and the special invitees and briefly explained the importance of participation of the Members in the discussion for determination of retail tariff for Electricity Department FY 2014 – 15. The Chairman then initiated the agenda wise discussion.

List of participants is appended.

Agenda I: Confirmation on the Minutes of the 12th Meeting of the SAC of Manipur held on 16th December, 2013:

The Chairman drew the attention of the Members to the Minutes of the 12th SAC already circulated to them earlier and requested them to give their comments

on the Minutes. After obtaining nod from the Members, the Meeting Minute was declared as confirmed.

Agenda II: Determination of Retail Tariff for Electricity Department, Manipur for FY 2014 –15:

The Chairman explained in details the procedures and methods being followed by the Commission in determining the tariff, and also stated that it is mandatory for the Commission to judiciously determine the tariff as per the Electricity Act, 2003. The Chairman drew the attention of the Members to the summary of the ARR proposed by the Department for FY 2014 – 15 and also to the comparative statement between the approved ARR FY 2012 – 13 and the proposed ARR for FY 2014 – 15 and requested to offer comments on it.

Mr. S. Rishikumar Singh, President All Manipur Entrepreneurs' Association argued that fuel cost should not be included as the power supply from diesel generators are utilized solely by the VIPs and not by the general public. He further wanted to know the reason behind the projection of less amount for purchase of power in the FY 2014 – 15 comparing with that of FY 2012 – 13. He also sought for clarification on high increase in employee cost for the FY 2014 – 15. Mr. Rishikumar also expressed his reservations on the rate of depreciation and provision of bad debt projected in the proposed ARR.

Mr. L. Priyo Kumar Singh, ACE (P) informed the Committee that unbundling of the Department has been done w.e.f. 1st February, 2014 and that the corporation has yet to take up various vital issues. He stated that there will be segregation of tariff petition, and more power is also expected from neighbouring power generating stations like Palatana, Bongaigon etc. He informed the Committee that

sale of power outside would be a thing of the past as strict grid discipline has been imposed by REA and that the distribution company is proposing for power banking mechanism soon. On the allocation of Rs 3 crores on bad debt he stated that it is as per the Regulation framed by the Commission. He further stated that the number of consumers in the state is not increasing because of joint family system where 1 (one) family draws power from one line and distributes among other family members.

Mr. Elangbam Dolendra Singh, Advisor, All Manipur Power Consumers' Association expressed his opinion that the ARR filed by the Department is wrong since the Department has already been corporatized and that there are many lapses which needed to be checked properly like R&M expenses etc. He also would like to get the actual figures proposed by the Department in the next tariff filing.

Dr. M. Binota Devi, Associate Professor also wanted to know the reason behind the increase in employees cost when the efficiency of the Department is totally negligible. She felt that putting zero on return on equity would mean a bad business sense.

The Chairman informed the Committee that the ARR filed by the Electricity Department is accepted by the Commission as the transformation to corporation is hardly two weeks old and assured that the next tariff filing would be done by the respective power companies, and the return on equity will also be projected in the next filing.

Dr. L. Sadananda Singh, General Secretary, Senior Citizens for Society, Manipur wanted to know the status of the stringing of inter-state transmission lines from outside Manipur. He also stated that the company should do away with the

huge loss and people are suffering because of frequent load shedding and restricted availability of supply for 2 – 4 hours only in a day. Dr. Sadananda also enquired about the status of installation of prepaid meters in the State. Mr. L. Priyokumar Singh informed the Committee that sufficient transmission lines are in place for drawal of power from outside State, and another 40,000 pre-paid meters are being installed soon in urban areas.

The Chairman put forward a proposal for seeking opinion of the Members on creation of separate Regulatory Commission for Manipur and narrated the inconveniences caused to the stakeholders because of the Commission being located at a far away place. The Chairman also pointed out that the segregation of the Joint Commission may not involve any more financial implication on both the States, and the neighbouring States of Arunachal Pradesh, Meghalaya, Nagaland, Sikkim & Tripura have "One – Member State Electricity Regulatory Commissions."

Mr Basantakumar Wareppa, Programme Executive, Human Rights Alert took part in the discussion and endorsed the proposal for separation of the Commission saying that there could be a speedy coordinated power reforms in the State and further suggested that the matter should be referred to appropriate authorities for necessary initiatives.

The Chairman again highlighted that as permitted by the Electricity Act, 2003, proper guidance may be sought from authorities like CEA on several issues related to power sector. Dr. L. Sadananda Singh, GS, Senior Citizens for Society, Manipur also agreed with the advice of the Chairman and stated that the Committee should leave no stone unturned in taking expert advice in the interest of stakeholders.

The Chairman informed the Committee that he will be demitting his office on the 28th of this month and expressed his humble apologies for any wrong that he might have done during the discussion and request the Members to continue their active participation and providing support to the Commission for the development of the Sector.

The Meeting ended with a vote of thanks to the Chair at about 2:30 pm.

Sd/- N. SHYAMSUNDAR SINGH

Chairperson

Memo No. H.11019/26/13-JERC : Dated Aizawl, the 27th February, 2014

Copy to:

1. PS to Hon'ble Chief Minister, (Power), Govt. of Manipur, Imphal for kind information of the Hon'ble Chief Minister.
2. PPS to Chief Secretary, Govt. of Manipur, Imphal for kind information of the Chief Secretary.
3. PS to Principal Secretary (Power), Govt. of Manipur for information and necessary action of the Principal Secretary.
4. All Members/Special Invitees of the State Advisory Committee of Manipur for kind information and necessary action.
5. Guard File.

(RICHARD ZOTHANKIMA)

Assistant Secretary