



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

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NO.H.11019/26/10-JERC

Dated Aizawl, the 23rd January, 2013.

**MINUTES OF THE 10th MEETING OF THE STATE ADVISORY
COMMITTEE: MANIPUR**

Venue : Conference Hall of Hotel Classic, Imphal

Date & Time : 17th January, 2013 (Thursday) from 10:00 am.

List of the Members & Invitees present appended.

The 10th Meeting of the State Advisory Committee for the State of Manipur started with a brief welcome speech and a happy New Year wish from Mr A. Chhawnmawia, IDES (Rtd) Secretary, JERC (M&M).

Mr H. Bihari Singh, Chairman, State Advisory Committee of Manipur then took up agenda – wise discussion as mentioned below.

Agenda 1: Confirmation of the Minutes of the 9th Meeting of the SAC of Manipur held on 17th January, 2013.

The Chairman asked the Members whether the Minutes properly contained the items discussed in the previous meeting of SAC of Manipur or not. After obtaining nod from the Members, the Chairman declared that the Minutes of the previous meeting of the Committee stand confirmed.

Agenda 2: Power Sector Reforms.

The Chairman, after highlighting the need of reforming the Power Sector as required by Electricity Act, 2003, NEP 2005 and NTP 2006, took up the following items for discussion:-

A. As required by EA, 2003.

(I) Unbundling of the State Electricity Board/ Department.

The Chairman, after mentioning that the management of Power Sector would be better if each of the generation, the transmission and the distribution be placed under separate management with separate accounts and that the State Government is seriously thinking to restructure the Electricity Department and the draft report on unbundling and corporatization is now under examination of the State Government, He requested the Members to present their views. Dr. Ch. Ibohal Meitei, Professor, Manipur University also intervened in the discussion stating his desire to hear from the Electricity Department regarding the progress of corporatization.

Then, as requested by the Chairman to present highlight of the present status, Mr L. Priyokumar Singh, ACE (E), informed the Members that the department placed an order in 2011 to M/S SBICAP to study and submit recommendation of the possibility that can be taken up for Power Sector reform in the State. He further stated that the draft report of the SBICAP has been submitted to the government which is now under active consideration by the State Government and the department is not able to say the likely outcome from the State Government, decision is yet to be made by the State government.

The Chairperson invited the Members to share their views on restructuring and corporatization of the Department. Mr N. Dwijen Singh, ACE (Civil) briefly informed the Members the three options in the draft report submitted by SBICAP.

The Chairman clarified the structure of different three options in the draft report. The first structure is Holding Company and Separate Transmission Company and Distribution Company. Transmission and distribution functions will

be corporatized into separate subsidiary companies viz. TRANSCO and DISCOM. Holding company shall have no specific functional responsibility and shall work as the investment holding vehicle for TRANSCO and DISCOM and any future investments in generation assets. The second structure is Generation Company and Transmission Company under Holding company and separate Distribution Company. The third one is keeping all the three functions viz Generation, Transmissions and Distributions in one entity, viz Holding Company. Dr. Ch. Ibohal Meitei, Professor, Manipur University informed the Committee that the department needs to develop a kind of mindset to provide a service to the satisfaction of the consumers.

The Chairman briefly elaborated the system of corporatization in Assam and that in Tripura. He further mentioned that Power Sector in all big States in the country are unbundled into separate generation company, transmission company and one or more distributions companies.

Mr L. Sadananda Singh, General Secretary, Senior Citizens' for Society, Manipur informed the Committee his preference of putting the distribution into separate corporation.

Mr Irengbam Arun, Senior Journalist cited that there is a better power supply in Mizoram compared with Manipur and felt that better policy in management of power is very much necessary for Manipur. He informed the meeting that if power supply can be improved corporatization is welcomed.

Mr Basntakumar Wareppa, Programme Executive, Human Rights Alert intervened in the course of discussion pointing out newspaper report of availability of regular power supply to the residential locality of the Chief Engineer, Electricity Department. He further informed the meeting that power supply should be given to every consumers indiscriminately to ensure that equal right has been enjoyed by all the consumers.

Dr. Ch. Ibohal Meitei, Professor, Manipur University informed the meeting that he is aware of the private company participation in the distribution of power supply. He felt that private participation will result in better competition in power supply and suggested private participation possibility. He further

informed the meeting that the loss is maximum in the distribution system and he felt it is necessary to provide room for private participation in this business. In reply, Mr L. Priyokumar Singh, ACE, stated his expectation that after 3 to 5 yrs. of the new corporation, private party participation in the distribution business will be seen.

Chairman informed the meeting of his doubtfulness of private party participation at present scenario when the loss is very high and the infrastructure is inadequate. He suggested making room for the participation.

(II) Appellate Authority

Mr L. Priyokumar Singh, ACE (E) informed the meeting their problem of finding appropriate person to function as appellate authority. The Committee noted that Appellate Authority would play an important role in regulating theft of power cases if Special Court functions properly and therefore wanted the government to appoint neutral/unbiased technical personnel as Appellate Authority as required by the Electricity Act 2003, in the larger interest of the Stakeholders.

(III) Installation of meters – 100 p.c metering

Shri L. Priyokumar Singh, ACE informed the Members that the Electricity Department would be able to complete 100% metering by March, 2014 with the present schemes for replacement of the existing ones and new installations. The Chairman emphasized the need to have feasible target of completion.

(IV) Consumer Grievance Redressal Forum (CGRF) and Internal Grievance Redressal Cell (IGRC).

Dr. Ch. Ibohal Meitei, Professor, Manipur University felt that much more publicity is to be done through print and electronic media (Local TV Channels) as the consumers are not well aware of the Cells where they can lodge complaints and get grievances redressed. Mr L. Priyokumar Singh, ACE informed the Members that the Department has been doing its best effort to intimate about the Cells through local newspapers and apprised the Members that a centralized toll free complain room will be opened very soon.

B. As required by NEP 2005.

(I) Electrification of all households.

Mr. N. Sarat Singh, Chief Engineer (P) informed the Members that in finalization of around 1, 00, 000 BPL to be electrified the identification of BPL is required which is being sought from the state Government and the Department is also trying to increase number consumers from electrification of rural villages. He also opined that per capita consumption is to be worked out based on availability of energy for consumption instead of actual consumption. Chairman stated that the level of household electrification in the State would be about 60%. However the date furnished by the Department indicates about 30% only.

(II) Energy audit for segregating Techno-Commercial losses and its reduction.

In a written document of the Department, it is stated that in order to identify unauthorized consumers, consumes without meters, theft of power and take up corrective measures as per Regulations the Department submitted a proposal dated 14-03-2013 to the Government for outsourcing 147 persons on contract basis with a Budget proposal of ₹ 1, 17, 19, 600/-. In this regards, the Government has directed to indicate the availability of fund for outsourcing the required persons on contract basis. This does not have any relevance to the segregation of the losses.

Metering at all voltage levels and consumers premises is being taken up under the on going and proposed schemes.

Energy audit for segregating techno-commercial losses and its reduction will be possible only after completion of the metering in 132 KV/33KV/11 KV transmission and distribution systems and 100% metering of all categories of consumers. A physical target for 100% metering shall be fixed to achieved the target for segregation.

C. As per National Tariff Policy, 2006.

(I) Introduction of “Open Access” in distribution & (II) Wheeling Charges.

The Chairman emphasized the need for determination of separate tariff for Transmission and the Wheeling charge in order to facilitate both the Open Access customer and the Consumer. The Chairman compared the high voltage transmission system with the kind of highway (surface) which provides for all kinds of traffic - day & night, and also expressed the desire to receive the Transmission and Wheeling tariff petitions at an early date. Mr. N.Sarat Singh, CE (P) assured the Members of filing Petitions for determinations of transmission tariff and wheeling tariff as expected by the Chairman.

Agenda 3 : Intra-State Trading

Referring to the application received by the Commission from some agency for issue of Intra-State Trading License, the Chairman briefly explained the meaning of Trading in the Electricity business and also the way it works and then sought for the views of the Members in this regard.

Replying a query from Dr. Ch. Ibohal Meitei, Professor, Manipur University of Manipur Institute of Management Studies, Manipur University and other Members regarding the source of power and trading avenue, Mr. N. Shyamsundar Singh, JERC(M&M) Consultant informed the Members that the trader may be buying from central unallocated share or any generator within the State and it will resale to the consumers who want to buy power from the trader. He further stated that in Mizoram, all have supported their entry in the State except the Power & Electricity Department who opined that it is premature for the State.

The Chairman informed the members that their entry in the State as a power trader will create competition for better power supply and this will also attract private party participation in generation within the state.

Members of the Committee expressed that Intra State Trading in the State will benefit to the consumers of the State.

Recommendations

The Members unanimously decided to recommend the following for onward submission to the Government for further needful.

1. Implementation of all the components under Power Sector Reforms may be expedited under a time bound programme.
2. Intra-State Trading is acceptable; the policy of the Government in this regard may be finalized in the consumer's interest.

The Meeting ended with a vote of thanks to the Chair.

Sd/- H.BIHARI SINGH
Chairman,
**State Advisory Committee
Manipur**

H.11019/26/10-JERC : **Dated Aizawl, the 23rd July, 2012.**

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.

Sd/- CHHAWNMAWIA
Secretary