

**REASONS FOR NON-ACCEPTANCE OF PETITIONS SUBMITTED BY
ASEB AND ITS SUCCESSOR ENTITIES**

- (A) The petitions were not submitted according to the format prescribed by the Commission and communicated to Chairman ASEB vide AERC. 41/2002/86 dated 18th November 2003.
- (B) There was no petition from Assam Power Generation Co. Ltd as such except one or two pages. This is not acceptable.
- (C) The petitions do not contain any particulars of physical assets. It is necessary to link physical numbers with amounts involved.
- (D) The Petitions were not accompanied by any Balance Sheets. While it is stated that the Licensees are in the process of finalizing their Opening Balance Sheets, the latest available Balance Sheet of ASEB, to which these entities are successors, should accompany the petitions of each of the petitioners, indicating clearly, as far as practicable, the relationships of the items included in the petitions to the ASEB Balance Sheet.
- (E) That the interest and depreciation charges for the ongoing investment under various schemes have been included for ARR purposes. As is well known, the commercial operation of these assets has to be declared for enabling consideration of Interest during Construction and Depreciation.

**ISSUES SHORTLISTED FOR DISCUSSION WITH
ASEB AND OTHER ENTITIES**

Common for all Petitions:

1. It appears that petitioner has not considered the financial figures included in the Transfer Scheme notified by the State Government. The reasons of this should be explained in writing.
2. Has Government of Assam confirmed the subsidy support to be given in writing to the Licensee? Are they capital subsidies or revenue subsidies? The petitioner should clarify whether it is proposed that Government would provide lump sum amount of subsidy to ASEB.
3. Number of employees in each entity with break up of technical and non technical employees.
4. Information on CWIP of each entity separately with sources of fund and expected date of commissioning of the assets.
5. Details of fully depreciated assets of each company.
6. Status of Assets Registers.
7. Comprehensive Investment plans.
8. Details regarding billing and settlement cycle of each company and detailed lead-lag study pertaining to each company to estimate the working capital requirements.

For Petition of ASEB:

1. Documents in support of tariff claim of CSGS & IPPS.
2. Reason for claiming BST at single part rate instead of in two parts.
3. Detailed plan for trading of surplus power during the rainy months and plan to mitigate shortage of power during winter months.
4. Details of trading arrangements and net amount realised for FY04-05 may be submitted.
5. Expected demand and availability of power and energy during next five years with sources of power and basis of assumptions.

6. The reason why PGCIL line loss is taken as 4%, which is higher than what was considered during the previous tariff review process. If any limit of such loss can be fixed? Steps taken to minimize this loss may be explained.

For Petition of APGCL :

1. Study reports on SHR of NTPS & LTPS unit wise in support of claims on SHR of stations.
2. Availability of individual units in terms of capability and in terms of gas linkage may be explained. The term “Operational Capacity” may be explained.
3. Projected PLF for next three years may be provided.
4. Break up of Assets of individual stations.
5. Auxiliary consumption of shut down plants and source of power for these plants for FY 03-04 & 04-05.

For Petition of AEGCL:

1. AEGCL does not envisage any loss reduction in the ensuing year, but expects loss reductions coming down from 8.55% in subsequent years. AEGCL should submit the transmission loss reduction path linked to the capital expenditure and schemes proposed. Loss reduction study, if any, undertaken to identify cost benefits of the schemes and the corresponding impact on loss reduction envisaged should be submitted.
2. Investment made in FY 04-05 and consequential effect on loss reduction along with a monthly data sheet of energy balance for FY04-05.
3. Availability of Transmission lines/ substations during FY 04-05.
4. Break up of one time special A&G expenditure @ Rs 1 Cr.
5. Separation of Cost of SLDC function from AEGCL cost.
6. Elements of KPI as mentioned in the petition and achievements of this may be indicated.

For Petitions of Discoms:

1. Monthly data of maximum demand showing separately restricted and unrestricted load of each Discom’s inlet points may be prepared in tabular form.
2. Information on consumers’ category wise connected loads and energy consumptions of each Discom.

3. Lists of applications pending for new connections of each category of consumer with full information of load applied at supply voltage.
4. The basis of sales forecasts with reasons for same may be explained.
5. Overloaded sections of distribution network and area covered where additional service cannot be released
6. Estimation of technical loss & commercial loss separately with break-ups & steps taken to reduce respective losses.
7. Detailed information on metering schemes undertaken and cost benefit achieved till date.
8. Billing efficiency & collection efficiency Category Wise & Discom Wise showing current and arrears separately
9. The amount of security deposit lying with Discoms as on 1.04.04 & 1.04.05.
10. Break up of one time special A&G expenditure @ Rs 1 Cr.
11. Steps taken towards recovery of bad/ doubtful debts.
12. List of settlement of past dues during FY 04-05.
13. Mechanism of recovery of ED from consumers and payment to GOA including liabilities if any towards ED for each Discom.
14. Report of any study undertaken to find out “Cost of Service” to different category of consumers.
15. A sample of consumer database of at least one IRCA unit billing for HT consumers for FY 04-05 up to date showing billing of all components of tariff and revenue realised.
16. Effect on revenue realised of Tea Coffee & Rubber Category consumers where availability based fixed charge was introduced. A database of one IRCA having maximum number of this category of consumers may be submitted.
17. Reason for wide variation in feeder tripping reports between different circles. Status of metering and protection systems in existence of the 11 KV feeders.
18. Details of MRI data analysis reports may be submitted.

POINTS RAISED DURING THE MEETING ON 25TH FEBRUARY, 2005

- (A) ASEB and the successor entities shall file petitions for FY 2006-07 on 1st December, 2005.
- (B) For interaction with AERC for the tariff petitions, besides Additional Chief Engineer (Commercial-Tariff), a Nodal Officer with a deputy should be appointed for each of the companies.
- (C) As all the Regulations on performance standards have been gazetted, so ARR and Tariff of the companies will be determined on the basis of conforming to these standards. AERC might declare tariff for next 6 months based on performance.
- (D) The detailed timetable for starting and completion of all investments with resultant effect on losses are to be submitted. Both time-overrun and cost-overrun of ongoing projects should be intimated with reasons thereof.
- (E) Monthly category and company wise data on restricted and unrestricted demand for all the injection/receiving points are to be submitted.
- (F) The basis of sales forecast category wise is to be explained.
- (G) As evidently no new major power stations will be available up to 2011-12 in the region, loss reduction should be the primary focus of all the companies to increase availability of energy. Loss reduction target of 1% shown in the petition are too low. Loss reduction of 5% should be targeted by the companies.
- (H) To reduce the losses, migration of industrial consumers to 11 KV /33 KV and higher voltages and the cluster of domestic consumers from LT to 11 K.V are to be encouraged.
- (I) Consumer focus should be the main concern of the Discoms. While satisfactory service are to be provided to domestic consumers, sufficient attention is to be paid to high value industrial consumers for uninterrupted and quality service.
- (J) ASEB have to provide separate accounts for various Rural Electricity Schemes.
- (K) Depreciation will be considered only on the assets which are in commercial operation. Station-wise assets list for units of APGCL are to be provided.
- (L) Chairperson suggested that instead of claiming 14% ROE, the entities may request for creation of a Power Development Fund by way of imposition of Cess.
- (M) Chairperson informed the officers about the Activity Calendar for the process of issuing the Tariff Order and requested adherence to the same by all concerned.

**INFORMATION TO BE INCORPORATED IN
THE SUPPORTING DOCUMENTS**

- (A) Volume-I. Petitions for ARR for Year 2005-06 and Revised Tariff Proposal For 2005-06 for ASEB, APGCL, AEGCL along with draft Bulk Supply Agreement (BSA), draft Power Purchase Agreement (PPA) and draft Transmission Services Agreement (TSA).
- Volume-II. Petitions for ARR for Year 2005-06 and Revised Tariff Proposal for 2005-06 for LAEDCL, CAEDCL AND UAEDCL.
- Volume-III. Incorporating the following Reference Documents of the petitions:
- (i) Certificate of Registration and Commencement of Business of the Companies.
 - (ii) First Transfer Scheme, 2004 for reorganization of ASEB.
 - (iii) Copy of Government Order No PEL.133/2003/266 dated 23rd June 2004.
 - (iv) AERC (Conduct of Business) Regulations, 2004.
 - (v) Government of India (GOI) orders of allocation of Central Sector Generating Stations' share to the states of the region.
 - (vi) CERC Tariff Orders of CSGS Stations of this region.
 - (vii) PPA with M/S DLF for Adamitilla and Banskandi Power stations.
 - (viii) PPA with M/S PTC for purchases of additional energy from other sources.
 - (ix) CERC Orders on PGCIL transmission charges.
 - (x) Document on rebate of 2% on timely payment to CSGS.
 - (xi) Government of Assam Notification No PEL.190/2004/69 dated 4th February 2005 in the matter of Terminal Benefit of employees of ASEB.
 - (xii) Approved Financial Recovery Plan (FRP) of ASEB.
 - (xiii) Consolidated Statement of funding of Investments scheme wise and company wise.
 - (xiv) Fuel Supply Agreements for APGCL Power Stations.
 - (xv) Annual Accounts for FY 2003-04 and Financial Resources Plan for 2005-06.
 - (xvi) Documents for basis of calculation of rates of Depreciation.
 - (xvii) Statement of Compound Annual Growth Rate (CAGR) of sale for the period FY 1999-00 to FY 2003-04.
 - (xviii) Metering Plans envisaged through APDRP and ADB Schemes.

**CLARIFICATION ISSUED BY ASEB ON
FINANCE AND ACCOUNTS RELATED MATTERS**

- (A) Employees cost
- (i) Terminal Benefits of ASEB and successor companies- the amount is arrived at by considering 20 paise per unit of energy sold.
 - (ii) Salary, dearness allowance and other costs of last three years shows a decreasing trend- why have the petitioners asked for more – ASEB shall furnish satisfactory explanation.
 - (iii) Unabridged Actuary report – shall be furnished by ASEB.
 - (iv) Employees cost of BTPS & CTPS seems to be on higher side – ASEB shall submit explanation.
- (B) Repairs and Maintenance Costs – ASEB said that average age of the assets is about 20 years.
- (C) Depreciation
- (i) Calculation details – partly submitted. Details shall be furnished by ASEB.
 - (ii) Asset register – shall be completed finalisation of transfer procedure.
 - (iii) WIP – WIP is not added to fixed assets.
 - (iv) Time of Capitalisation – after completion and commercial operation.
 - (v) Rate of depreciation – furnished.
- (D) Investments – Details of Investment Plan
- (i) Details of ongoing projects
 - Expenditure incurred
 - Time & Cost over-run
 - Expected fund required, schedule and time of completion
 - Source & terms of fund received and to be received

- Copy of the approved DPR.
 - All these shall be furnished by ASEB in a tabular form.
- (ii) Details of new projects
- Copy of the approved DPRs.
 - Source & terms of funds received and to be received
 - Details information of DPRs along with other information shall be furnished by ASEB in a tabular form.
- (E) Interest and Finance Charges - Detailed calculation sheet showing:
- (i) Source
 - (ii) Where used
 - (iii) Interest rate
 - (iv) Interest incurred
 - (v) Capitalized
 - (vi) Not capitalized
 - (vii) All these shall be furnished by ASEB in a tabular form.
- (F) R.E. Subsidy – ASEB informed that presently it is not provided by Government of Assam.
- (G) The relevant CERC order on CSGS Stations, PPA with DLF and last annual tariff order for DLF approved by ASEB –PPA of DLF and allocation of CSGS station were provided to the Commission.
- (H) Projected Balance Sheet and Cash Flow Statement for each company for FY2005 and FY2006 are to be provided to the Commission
- (I) Other finance & accounts related matters.
- (i) Financial data for 1st 6 months of FY2004-05 is based on the fund released by ASEB.
 - (ii) The IDC component of KLHEP of APGCL shall be clarified by ASEB.

INFORMATION AND DOCUMENTS FURNISHED BY ASEB

1. The consolidated statement of monthly power purchase from March, 2003 to February, 2004 and March, 2004 to February, 2005.
2. In the petition for Approval and Revision of Tariff for FY 2005-06, the variable cost of NHPC energy should be 40.53 paisa per kWh instead of 51.74 paisa per kWh quoted earlier.
3. Regarding the discrepancies in the metering points proposed in the Bulk Supply Agreements, Transmission Service Agreements and Power Purchase Agreements, the matter had been taken up with AEGCL and clarifications would be submitted after receipt from AEGCL
4. The respective Distribution Companies are requested to submit the monthly demand curves within 31st March'05

ISSUES DISCUSSED ON 30TH MARCH, 2005

- (A) Energy accounting for all the successor entities will have to be prepared and in place from 1 April, 2005.
- (B) From the Transmission Service Agreement and the Bulk Supply Agreement, it is seen that there are only 21 Generation and Transmission metering interface points at 132KV and 66KV. However it was pointed out that there are few outgoing feeders at 33KV from the generating stations. Proper interface metering between the Discoms and AEGCL has to be set up.
- (C) It was also decided that for interface between AEGCL and the three Discoms, the complete metering infrastructure will be in place for Discomwise accounting of energy within 2 months. The SLDC is to make necessary operational arrangement to record and monitor energy accounting for all entities. It was also decided that each Discom will take joint meter readings at each take off point from transmission and it will be sent to SLDC for compilation every month starting from 1st April, 2005.
- (D) It was also gathered that at most locations the meters are at the primary side of the power transformers of the substations and it was decided to have these meters installed at the boundary points of transmission and distribution so that proper energy accounting can be ensured.
- (E) It was decided that SLDC will prepare a status report of all interface meter points between entities and submit it to the Commission for necessary action within 15 days.

CLARIFICATIONS ALONG WITH SUPPORTING DOCUMENTS
SOUGHT BY AERC ON 18TH APRIL 2005

1. Pension / Terminal benefits Trust : Please confirm if the trust is already formed or not. If not, inform the AERC as soon as it is formed.
2. G.P.F : Please confirm if the fund is already established as per provision of relevant act. The status of the same may be informed with necessary documents.
3. Provision for Bad Debt : Please furnish
 - (i) **Age Analysis** of the receivables on account of sale of power. The analysis should be done on the basis of the block period of 6 months / 12 months / 24 months / 36 months.
 - (ii) A list of those consumers who have an arrear of Rs. 5,000/- or more and the arrear is more than 12 months old.
 - (iii) Detailed status of the 'Provision for Bad & Doubtful debts Account' for last five years created by deducting 2% of dues from consumers.
4. Depreciation : Please furnish a certified photocopy of the assets register indicating gross value of assets, assets added, assets written off and the depreciation rate considered against all those assets that have been fully depreciated / depreciation over recovered, as discussed with Mr. Deb Nath.

**Minutes of the Meeting of the 6th State Advisory Committee
of Assam Electricity Regulatory Commission held on
5th April, 2005**

The meeting of the State Advisory Committee was held in the conference room of Assam Electricity Regulatory Commission with the members present as per the enclosed Annexure.

The Chairperson, AERC, who chaired the meeting, welcomed the participants and invited views and advice from the members on the following draft Regulations, which were circulated to the members earlier.

- 1) Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting Intra-state Transmission Licence and other related matters) Regulations, 2005
- 2) Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting a Distribution Licence and other related matters) Regulations, 2004
- 3) Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting an Intra-State Trading Licence and other related matters) Regulations, 2005
- 4) Assam Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2004

Deliberations held on the above four draft Regulations and views expressed by the participants are as follows:

- 1.0 Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting Intra-state Transmission Licence and other related matters) Regulations, 2005
 - 1.1. There were no proposals for amendments in the regulation. But the members asked for few clarifications which were made as under. Representative of FINER raised the following issues :
 - a) The process of review in case of refusal of license by the Commission under Section 12.1 of the Regulation
 - b) The details of technical experience for an applicant to be entitled for grant of license
 - c) The role of State Government in the granting of license under Section 12.5 of the Regulations.

- 1.2. The issues were clarified as follows :
 - a) The Appellate Tribunal may review the refusal of the License by the Commission
 - b) The details of technical experience are given in the Appendix – I of the Regulations
 - c) The State Government has no role in granting of the Licence
 - 1.3. The Principal Secretary, Power asked whether sufficient safeguards were provided in the regulations against walking away by the private investors where private sector were allowed to make investment in the critical segments of Transmission Network of the State. It was clarified that sufficiently prohibitive clauses were incorporated in the Regulation to prevent such eventuality.
 - 1.4. Representative of NESSIA wants to know whether the Commission is advocating privatization of assets of erstwhile ASEB. It was clarified that the Commission makes no distinction between public and private sector if other techno-commercial issues are settled to the satisfaction of the Commission.
- 2.0 Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting a Distribution Licence and other related matters) Regulations, 2004
- 2.1. Representative of FINER asked whether a generating company can take a distribution license. It was clarified that there is no bar for a generating company to take a distribution license.
 - 2.2. The representative of AASSIA wants to know the details of charges, fees, security deposit etc. to be paid by consumer to the license for supply of electricity. It was clarified that all the details are given in the Supply Code and Related Matter Regulations.
 - 2.3. Representative of NESSIA suggested that there should be clear demarcation of power between the Ombudsman and the Commission. It was clarified that the powers of the Ombudsman were clearly stated in the Redressal of Consumer Grievances Regulations.
 - 2.4. Representative of FINER asked about the status of AERC (Terms and Conditions for Open Access) Regulations, which was discussed in the last Advisory Committee meeting. It was clarified that it was kept pending in the context of unbundling of ASEB and it will be taken up after considering the overall effects of unbundling and reorganization of ASEB and the acceptance of ARR of newly formed entities by the Commission..
- 3.0 Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting an Intra-State Trading Licence and other related matters) Regulations, 2005

- 3.1. The Representative of FINER pointed out that scope of power trading in the State is limited at present due to power shortage in the State.
- 4.0 Assam Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2004
- 4.1. Representative of ABITA expressed the view that this regulation should have been notified earlier and the tariff proposal for FY 2005-06 by ASEB and its successor entities should have been prepared as per the terms and conditions so notified. Chairperson, AERC, requested the representative of ABITA to submit the details on the matter in writing which will be considered in due course. The representative of ABITA presented his case in writing.
- 4.2. The ABITA representative also raised the following points :
- a) The Regulations under Section 1.2 state that the Regulations shall apply to ASEB as trader. But he felt it was beyond the scope of work of the Commission as indicated in section (a), (b), (c) and (d) of Section 62 of the Act.
 - b) In definition under Clause 2, there is no mention about the term 'cross subsidy' which has been referred in many paragraphs of the regulations. This is required to be defined.
 - c) In Clause 40, there is no mention of target availability and target plant load factor in respect of Namrup and Lakwa power stations. It was suggested that in absence of any norm it will not be proper to recover the full fixed charges from the existing availability of 30% and 40%.
 - d) It was suggested that the norms for other parameters for the purpose of determination of tariff should be either specified or kept at the same level as is existing in case of Central Governing Stations and Transmission Companies in Central Sector by a special mention in the regulation.
- The Chairperson, AERC, agreed to consider the above suggestions.
- 4.3. The representative of AIMO pointed out that Section 17 of the regulations states that the interest charges on working capital shall be equal to the short term Prime Lending Rate of SBI as on April 1 of the relevant year plus 2%. He felt that as the actual interest paid is less than prime lending rate, it may lead to undue earning. The Chairperson, AERC, agreed to look into the matter.
- 4.4. The representative of FINER pointed out that as per the section 20.3, the benefits of tax holiday shall have to be passed on to the customers. He felt that this provision might lessen the enthusiasm of the investor for investment in NE States where such tax holiday was allowed.

5.0 Other Matters

5.1. Ways & means to improve Customer Service including billing and collection :

- (1) A base paper on the matter was circulated wherein the following points were highlighted :
 - a. Better Complaint Handling Mechanism :
 - i) The complaint booths of ASEB in Guwahati have been renamed as Customer Care Centers. This is to be extended to whole State.
 - ii) Personnel operating those centers are to be trained to be more consumer-friendly.
 - iii) Voice recorders may be installed in these centers.
 - b. Better Bill Payment Facilities :
 - i) Drop boxes may be introduced in all collection offices
 - ii) Sitting arrangement may be made in collection offices
 - iii) Introduction of Electronic Clearance System as in BSNL
 - c. Simpler Procedures for New Connection etc. :
 - i) Simplify procedures for new connection, replacement of defective meters.
 - ii) Strict adherence to Distribution Licensees' Standard of Performance
 - d. To Enhance Collection Efficiency :
 - i) Concerned personnel of a billing unit made responsible for collection from the unit.
 - ii) Higher penalty for delay in payment of bills
 - iii) Extension of Single Point Supply Scheme to other rural areas.

5.2. Ways and means of monitoring performance management :

It was stated in the base paper that the performance of ASEB and its successor companies can be monitored with the help of key performance indicators. The key performance indicators are the guaranteed standards of performance and the general standard of performance which include the standards on consumer related services and standards

related to quality, continuity and reliability of power supply. The performance of the Utilities against these standards may be maintained and a status report filed to the Commission at the specified intervals.

ASEB has installed Electronic Trivector (ETV) meters for consumers with contract load greater than 20 KW. So, ASEB should move towards 100% ETV metering for HT consumers and do the billing and Meter Reading Instrument (MRI) analysis regularly. The progress so far achieved in analysis of meter data using MRI for various categories of consumers may be intimated to the Commission.

Monitoring T & D losses each month at each billing unit may be one of the means of monitoring the performance of utilities. ASEB should measure the commercial losses separately and show these distinctly. Action should be taken to eliminate the commercial losses through required investments which may sometimes be small and administrative action. ASEB and its successor entities are to submit the figures on T & D losses each month for each of its circles to the Commission.

5.3. Adoption of IT initiatives in the Power Sector :

A base paper was circulated wherein it was stated that there is no Management Information System spanning all the wings of ASEB. So it was suggested that a system study of existing manual systems in ASEB be made and based on the results of the study, suitable hardware and software are to be designed for a MIS spanning all the wings. .

5.4. Key Performance Indicators for Distribution (Circles / Districts) :

As indicated above, two of the regulations published by the Commission namely the “Guidelines for Redressal of Consumer Grievances” and the “Distribution Licensees’ Standards of Performance” Regulations had stipulated in detail certain performance standards for the licensees which may be taken as Key Performance indicators for distribution. The base paper summarizing these standards is enclosed as Annexure.

6.0 The Members offered suggestions on these issues as below :

6.1. Chairman, AIMO :

- a) A senior officer should check the complaints register every day
- b) Payment through Bank or Post office be allowed
- c) In case of IT initiative, outsourcing may be explored
- d) Continuous training of personnel in :
 - i) Preventive maintenance
 - ii) Setting up of quality circles
 - iii) Attitudinal orientation

6.2. Secretary, ABITA :

The Commission should formulate the benchmark of performances like target availability, standard duration of interruptions in a month, the standard frequency of interruption in a month and impose penalty for deviation..

6.3. Representative of FINER :

- a) Introduction of an integrated Enterprise Resource Planning Package covering all the functions of business like SAP in ASEB and successor companies will have an impact on their bottom lines.
- b) ASEB can develop its transmission and distribution lines as communication backbone like PGCIL has done and increase its income.
- c) A system of keeping confidential complaints should be maintained.

The members also agreed to the suggestions offered in the base papers on these four issues.

7.0 Lastly, the tariff petition submitted by ASEB and its successor entities for the FY 2005-06 before the Commission was discussed by the members and the views expressed are as follows :

7.1. Chairman, AIMO :

He raised the following points on the UAEDCL petition :

- a) As a successor entity in a transitory stage, it should have waited for some time to stabilize its working on commercial lines. Otherwise it has to base its requirements on projected figures.
- b) The tariff hike should be linked to reduction in T & D losses
- c) The PLF needs to be raised
- d) The projections included in the ARR need closer scrutiny with regard to :
 - i) Power Purchase Cost – Peak and Off-peak period
 - ii) Depreciation
 - iii) Interest and financing charges – Bank Commission shown as Rs. 1.54 Cr. seems to be high.
 - iv) Provision for Bad and doubtful Debts
 - v) Return on equity

vi) Accounting for an out lay of Rs. 1149 Crores for Power Sector announced in the State Budget for 2005-06

e) Printing presses should be taken as industry for tariff purposes

7.2. NESSIA :

The representative of NESSIA suggested the following rectification of existing L.T. and H.T. category of industries as below:

- a) The existing fixed charge for H.T. industries up to 35 KVA is to be made same as that of LT industries up to 25 KVA @ Rs. 62.00 per month per KVA of load.
- b) Fixed charge for industries above 35 KVA up to 80 KVA be charged @ Rs. 80.00 per month per KVA of load.
- c) Fixed charge for industries above 80 KVA up to 100 KVA be charged at @ Rs. 125.00 per month per KVA.
- d) No change in fixed charge for industries above 100 KVA.

He also suggested that tariff should be allowed to be increased only if the quality of power supply improves.

7.3. ABITA :

The representative of ABITA suggested the following

- a) The tea gardens should be billed as per the maximum demand reading of the meter instead of the present practice of billing on the basis of 70% of connected load.
- b) The present practice of rewarding of utility with higher overall rate per unit at reduced availability and penalizing the consumer to pay more when it gets power supply at reduced availability should be remedied to protect the interest of the consumer.
- c) The principle of application of tariff for the consumer to pay in a reasonable manner based on cost of supply should be implemented.

7.4. Grahak Suraksha Samstha, Guwahati :

The representative of Grahak Suraksha Samstha offered the following views:

- a) The proposed hike in domestic tariff in the tariff petition is too high compared to Tea, Coffee, Oil and Coal etc.
- b) Consumer consuming 45 unit / month should have a lifeline tariff for them which should be a subsidized one.

7.5. FINER :

The representative of FINER offered the following views:

- a) There should be 3 tier tariff – for peak, off-peak and office time (8 hours)
- b) The power factor rebate and penalty should be stringent as well as lucrative for the consumer.
- c) The hospitals, hotels and tourist lodges should be taken as industry for tariff purposes as Government of India had given industry status to these categories.

Next, a paper on Power Tariff Design, prepared by the Commission's staff was presented in the meeting. The members agreed with the principles of tariff determination described in the paper. The paper is enclosed as Annexure.

The meeting concluded with a vote of thanks from the Chairperson.

Chairman,
State Advisory Committee
Assam Electricity Regulatory Commission

**Annexure List of persons attending the Meeting of the 6th State Advisory
Committee of Assam Electricity Regulatory Commission held on
5th April, 2005**

- (1) Sri Bhaskar Barua, Chairperson, Assam Electricity Regulatory Commission
- (2) Sri S. K. Srivastava, Principal Secretary to the Government of Assam, Department of Power (Elect.) etc.
- (3) Sri H. Narzary, Commissioner and Secretary to the Government of Assam, Department of Food and Civil Supplies
- (4) Sri Pinuel Basumatary, Member (Finance), ASEB
- (5) Sri K. C. Kalita, Joint Commissioner, Guwahati Municipal Corporation
- (6) Sri P. Baruah, Executive, Confederation of Indian Industry, Assam State Chapter

- (7) Sri Dhiraj Kakati, Secretary, ABITA
- (8) Sri B. P. Bakshi, Chairman, All India Manufacturers' Organisation, Assam State Branch, Tinsukia
- (9) Sri Anuj Baruah, President, All Assam Small Scale Industries Association (AASSIA)
- (10) Sri George Chacko, Director (Power), FINER
- (11) Smti Lily Das, President, Grahak Suraksha Samstha, Guwahati
- (12) Sri M. C. Borkotoky, Working President, NESSIA
- (13) Sri Ajay Singh, Chairman, Assam Valley Consultation Committee of Planters' Association, Guwahati
- (14) Sri Manoj Adhikary, Joint Director-cum-Secretary, Assam Electricity Regulatory Commission

ORDER
Dated 31. 03. 05.

Petition No- 1/2005.
Petition No -2/2005.
Petition No- 3/2005.
Petition No- 4/2005.
Petition No -5/2005
Petition No- 6/2005

The Assam Electricity Regulatory Commission hereafter termed as the Commission issued Tariff Order for retail sale of electricity to different categories of consumers of ASEB for FY 2004-05 on 21.07.04. The Commission ordered that the tariff approved in the order of the Commission dated 21.07.04 shall remain valid up to 31.03.05 or next revision of the tariff whichever is earlier.

During this period, while this order was in force, in exercise of powers conferred by section 131 and section 133 of the Electricity Act,2003 the Governor of Assam restructured the Assam State Electricity Board by transfer and vesting of functions, properties, interests, rights, obligations and liabilities of Assam State Electricity Board on the State Government and re-vesting thereof by the State Government in the five corporate entities, namely, Assam Power Generation Company Limited (APGCL), Assam Electricity Grid Company Limited (AEGCL), Lower Assam Electricity Distribution company Limited (LADCL), Central Assam electricity Distribution Company Limited (CADCL) and Upper Assam Electricity Distribution Company Limited (UADCL). This reorganization was made effective by a notified transfer scheme of Government of Assam, vide memo no. PEL.151/2003/Pt./165 Dated Dispur the 10th December,2004. In exercise of powers under section 172 of the Electricity Act,2003 the State Government authorized Assam State Electricity Board to continue as a trading licensee for a period up to 10.06.2005.

In the mean time the ASEB and all successor entities formed as per provision of the Electricity Act 2003, filed tariff petitions before the Commission .The petitions have been duly accepted and the Commission directed ASEB and the successor entities mentioned above to make the petitions available for public information and calling for objection and comments from all interested parties. The Commission contemplates issue of the final tariff orders by end of May 2005 after following an exhaustive process of public hearing. The points of view of different stakeholders will be heard within the stipulated time frame that is necessary for processing petitions as provided in section 64 of The Electricity act 2003.

The Assam State Electricity Regulatory Commission (Conduct of Business) Regulations 2004 of the Commission was formulated under section 181 of The Electricity Act 2003 and duly notified.

As the Tariff order of the Commission for FY 2004-05 applicable to retail consumers of erstwhile ASEB, is effective up to 31.03.05, w.e.f 1.04.05, there will be not be any effective tariff order for retail consumers of distribution companies. As such after 31.03.05, there will be a regulatory vacuum, unless the present order is replaced by an effective order of the Commission.

From FY 2005-06 all entities will have to maintain individual accounts in terms of finance and energy and with respect to bulk sale and purchase of energy as well as the retail sale under section 62 of the Act. As such there would have to be a Bulk Supply Tariff (BST) which was not in existence in the erstwhile ASEB tariff. The BST is derived by dividing the total costs of generation, power purchase and transmission of power by the available energy for sale to the Distribution companies. .

Considering the situation arising out of the present circumstances explained above, the Commission acting in accordance with Section 9(5) of the Conduct of Business Regulations 2004, consider it appropriate to pass this interim order as per provision of Section 21(3) of the said Regulations. This order will be effective from 1.04.2005. This order will remain in force until tariff petitions filed by ASEB and its successor companies as mentioned above are disposed of by the Commission by issuing final orders.

Tariff Schedule for retail consumers of LAEDCL, CAEDCL & UAEDCL

Bulk Supply tariff:

ASEB will supply power to the distribution Companies namely LAEDCL. CAEDCL & UAEDCL at a Bulk Supply Tariff (BST) rate of Rs 2.40 /kwh provisionally.

Further the Commission directs the State Load Dispatch Centre (SLDC) to make necessary arrangements to record energy delivered to distribution companies through different interface points from AEGCL network and energy injected to the AEGCL network from APGCL, CSGS source through PGCIL network w.e.f. 1.04.05 and issue monthly energy accounting statements for the purpose of commercial transaction among different entities. Any shortcomings in this regard may be brought to the notice of the Commission.

All transactions arising pursuant to this order shall be subjected to final adjustment after final orders of the Commission disposing the petitions.

Dated 31st March'05

Sd/-
Chairperson

STATUS OF GENERATION OF ASEB

- (A) NTPS: It is generating now around 90 – 100 MW of electricity against an installed capacity of 574.5 MW. At NTPS out of 6 units, 4 units are operating and 2 units are under shut down. NTPS is generating around 60 MW of electricity. Unit 5 is expected to come to the grid in mid May adding another 20 MW to the grid. Orders for major overhauling for unit 6 have been issued which is expected to come to grid after 18 months from the order. As a result, an additional 18 MW of sustained generation can be expected by November 2006.
- (B) LTPS: It is producing around 45 – 50 MW of electricity at present due to shortage of gas. With the expected signing of Agreement with OIL in May 2005 another 0.5 MMSCMD of gas will be available after 18 months from which 40 MW of electricity can be generated making a total of 90 MW. So, by November – December 2006, around 170 MW of electricity may be expected in total from NTPS and LTPS.
- (C) Karbi Langpi HEP: The first 50 MW unit of the project will be commissioned on April, 2006 and a second 50 units by October 2006 adding 100 MW to the grid by that date.
- (D) BTPS: BTPS is under shut down since 2002 as the cost of generation is more than Rs. 7.00 per unit. An order for RLA study had been placed on BHEL. But instead of doing the work, M/s BHEL have submitted another estimate of Rs. 240 Crores for RLA study of one unit. This amount is considered to be too high and hence ASEB is seeking private participation for revival of BTPS.
- (E) CTPS: CTPS is also under shut down since 1999 due to the high cost of fuel. ASEB is exploring the possibility of an alternative fuel for this power station. M/s AGCL will be in a position to supply natural gas at Guwahati by end 2008. It may be possible to operate CTPS with natural gas as a fuel after 2008.
- (F) NTPS expansion: ASEB has plan for expansion of NTPS. Preliminary works have been started for that purpose.

1.2 There has been an improvement of PLF of NTPS and LTPS as shown below :

	FY 2003-04	FY 2004-05
NTPS	38%	43%
LTPS	30%	38%

1.3 Against a target of 450 MU ASEB should achieve a generation of 442 MU for FY 2004-05.