



ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION
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Minutes of 5th State Advisory Committee (SAC) Meeting held on 31.10.2107 at conference Hall of APERC, Itanagar

Opening remarks by Chairman, APERC

Sri R.P. Singh, Chairman APERC welcomed the honourable members present in the meeting. At the very outset, he dwelt in brief the purpose and functions of the State Advisory Committee(SAC) and also outlined the course of proceedings to follow. This was followed by a power point presentation by Sri Rakesh Kumar, Secretary, APERC which covered all the major issues with which the power sector is afflicted with. Thereafter the Chairman opened up the discussion for the Members who deliberated in details on the issues/ topics agenda wise and the suggestions given by them are as under:

1. Restructuring of Power Department:

The house was informed that the Commission has been raising the issue of restructuring of Power Department of Arunachal Pradesh to have an autonomy in operations and financial functions, accountability, better services and efficiency.

Initiating the discussion Er. Anong Perme dwelt in detail about deficiency in the existing system, as mentioned below, which has led to inefficiency and lack of performance of the Deptt. of Power which would have otherwise not happened if the Corporatisation/restructuring of the Deptt. had occurred as per the provisions of the Indian Electricity Act 2003 viz.

- Lack of financial resources and its timely availability.
- Lack of autonomy to garner financial resources so as to have a decisiveness in freezing a long term business plan for the Deptt. which leads to unfocused approach.
- Lack of autonomy in operational and financial functions

➤ Lack of accountability at all levels of hierarchy in the Deptt. Members viz. Ms. Jarjum Ete Social Activist, Ms. Kipa Kaku & Mr. Kalong Doruk Chief Councillor Itanagar & Pasighat Municipal Councils respectively, Mr. Jokey Angu IAS Secretary Consumer Affairs and all other members while participating in the discussion also viewed that the high level of AT&C losses to the tune of more than 50% is not only a clear cut reflection of the inefficiency but also a indication of the unsatisfactory performance level and lack of accountability of the functionaries in the existing functioning of the system of the Deptt and agreed on the proposal that re-structuring of the Deptt. is absolutely necessary but at the same time also viewed that this can happen only with the help of political will and bureaucratic support. To achieve this aim, they suggested that a viable Blue Print of the proposed re-structuring the Deptt. of Power should be thoughtfully prepared which can then be taken by the SAC to the Political Leadership of the State for its implementation.

Conclusion: An urgent need for corporatization of Power department was felt by all members and the house mandated the Commission to prepare a blue print of the restructuring of the Deptt. and place before the SAC during the next meeting.

2. Strategy to reduce Transmission & Distribution Losses (T&D Losses)

The Commission placed the very burning issue of abnormally high AT&C losses being incurred by DOP along with statistics/comparison with other NE states in particular along with the importance of the necessity of having continuous energy auditing to tackle this issue.

Er. Anong Perme, CE (T&D, Monitoring) DoP unequivocally stated that the major reasons for such high level of AT&C losses is lack of proper metering strategy of the Deptt. and also lack of energy auditing which has promoted a sort of 'meter reader raj' leading to malpractices like coffee shop meter reading, connivance with the unfaithful consumers in damaging the meters and manipulating the meter readings and also hiding theft of energy cases from the Deptt. Non-availability of sufficient meters in stock is another reason of high losses. However, to address the issues on urgent basis, he suggested that installation of pre-paid meters shall drastically reduce the AT&C losses as the role of meter readers shall be removed.

Mr. Jokey Angu, IAS (Secretary Consumer Affairs) raised the issue as to why the Deptt. provide service connection without meter and why faulty meters are not replaced in time. **Mr. Y.D. Thongchi IAS(Retd.) Ex Chief Information Commissioner** advocated for Govt. accredited laboratories for testing of meter or even out sourcing the meter testing and its re-calibration jobs.

Mr. R.P. Singh, Chairman APERC emphasised on the importance of having meter testing accredited laboratories in every district.

Smt.Kipa Kakum Chief Councillor, IMC also referred to the past bitter experience of DoP when it tried to implement Pre Paid meter system in the capital complex which was met with stiff resistance both from public and NGOs/Pressure groups. Against this past experience, she assured full support from Itanagar Municipal Council provided the appropriate authority (Govt./the Commission) comes out with a clear cut directives mandating the Deptt. to take up the 100% pre-paid metering. **Mrs. Kipa Kaku**, Chief councillor IMC and **Mr. Kaling Doruk Chief Councillor, Pasighat Municipal Council** also assured for such support from PMC and advocated for soft initiatives in the line of community campaigns motivating the people for preferring pre-paid meters by explaining its benefits to them in particular and to the society in general.

On the issue of improving the collection efficiency, since Govt. Departments are the major defaulters in paying the outstanding dues, it was unanimously agreed that it would be in the overall interest of the Deptt. and the State to make it mandatory for the Govt. Departments to install prepaid meters in their offices and govt. residential buildings also w.e.f some cut-off date. The SAC was also informed by the Commission that such regulation is already in force under which the Deptt. is empowered to install pre-paid meters to such consumers from which the Deptt. is finding difficulty in realising the cost of energy sold to them. The SAC recommended to the Commission to get this regulation implemented/enforced appropriately.

Conclusion: Various measures/steps to reduce AT&C losses were discussed. Accordingly, DoP has to take the following steps;

- a) Urgent need to Implement 100% metering preferably pre-paid meters within a time line.
- b) Urgent need to establish Govt. accredited Labs for Meter testing

- c) Maintaining of energy cash book by each sub division for proper Energy auditing by an independent agency every year.
- d) Installing pre-paid energy meters mandatorily in Govt. offices and govt. residential buildings w.e.f a cut-off date to be decided by the Commission.
- e) Meter Readers should be mandatorily brought into the loop of accountability for AT&C losses.

3. Tariff Structure:

The Commission also impressed upon the SAC to review the tariff structure and proposed to introduce Slab Based Tariff System and the concept of two-part tariff (fixed charges and energy charges) w.e.f 2018-19. The house informed that all the N.E. States except Arunachal Pradesh has adapted the above system and it's the right time for A.P. also to adopt the same as it is more fair for the consumers in accordance to their paying capacity. The proposal was accepted by the SAC.

Mr. Vijay Vyas, President SSI through his written suggestion opined that there is no need to increase the tariff of Industrial category as this may further hamper the growth of industries in the state. He also informed that the HV, EHV industrial and bulk consumers are facing maximum load shedding hence need utmost attention. He has raised some other issues also which do not fall under the purview of the SAC, so it was agreed that such issues shall be dealt by the Commission appropriately.

Conclusion: In principle house was in agreement to implement slab based tariff and the fixed charges. DOP was requested to propose various slabs category wise and propose the same in its tariff petition for the FY 2018-19.

4. Step towards improvement of DHPD

In presentation, the Commission also placed before the SAC the performance status of the DHPD which needs a lot of improvement in terms of increase in generation. The Commission suggested that the DHPD should explore the Public Private Partnership (PPP) model for O&M of major plants on experimental basis.

Er. Jummar Kamdak, Chief Engineer DHPD apprised the fact that quite a number of Hydro Projects are isolated and not connected to Grid. This could be one reason for showing less generation of power though number of HEPs may be more in count. Nevertheless, DHPD can't do much for connecting them to grid and for proper preventive maintenance and also promptly Repair & Maintenance of stations due to non-receipt of requisite funds in time. He also pointed out that the data shown in the presentation of the Commission regarding manpower w.r.t. DHPD needs to be corrected as the number of employees shown are inclusive of employees working for survey and investigation, construction etc. including O&M. The employees for O&M is around 1400 instead of 2831. Commission noted the clarification of Er. Jummar Kamdak and informed that numbers quoted by commission is as per data furnished by DHPD in their tariff petition wherein no such breakup is provided and that in the next tariff petition the Deptt. should provide the correct figure.

Conclusion: After deliberating the issues, the house endorsed the Commission's view that the DHPD should explore Public Private Partnership (PPP) model for operation & maintenance of some bigger SHPs in-order to increase the generation/ availability of the plant. DHPD need to further work out the modalities/working structure and if required may get it vetted by APSERC.

5. Miscellaneous Issues:

- **Er. Rajen Pudur, HoD (Elect. Engineering) NIT, AP** called for awareness campaign for Rooftop Solar installations. He also informed that at NIT campus, generation up to 100 KW from solar PV system is often achieved but due to lack of Grid connectivity the surplus power goes waste. He requested the Commission to look into the matter so that a system is put in place to tap the unused/excess flow of energy. To this, **Er. Anong Perme, CE (T&D, Monitoring)** informed the house that Govt. (APEDA) is coming up with a Solar Policy to attract individuals to install Grid interactive roof top solar for which the Regulation by the Commission has already been notified. However, he offered **Mr. Pudur** to have a discussion on the issue with the DoP at a later date.
- The Commission expressed its concern that the Deptt. of Power is not complying with the directives of the Commission and also not implementing the provisions of various


Regulations notified by the Commission specially the Electricity Supply Code and Standards of Performance which is a matter of concern.

- It was impressed upon by the SAC that the DOP should initiate steps to create awareness amongst the consumers about the Consumers' Grievances Redressal Forum and Electricity Ombudsman and also implement the provisions of Electricity Supply Code in the interest of the consumers and the Commission should initiate action against the defaulters. The Chief Councillors IMC & PMC invited the Commission authorities to enlighten their Councillors on such issues who in turn can then spread the information to the general public.

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

The names of members present in the meeting are attached as Annexure-I. The discussion points placed before the SAC are attached as Annexure-II

Encl: Annexure I & II


(Rakesh Kumar)
Secretary cum Convener of SAC
APSERC, Itanagar

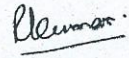
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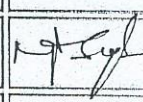
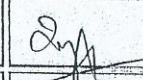
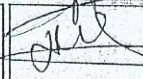
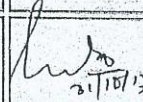

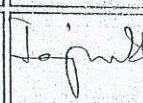
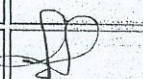
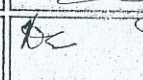

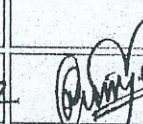
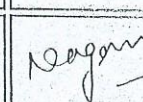


Dated 7th December 2017

Copy to:

1. All Members, State Advisory Committee, APSERC for information please.
2. All Special Invitees to the SAC Meeting.
3. Guard File of Chairman APSERC

Office copy
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Secretary, APSERC

Sl No.	Name of Participants	Designation & Name of Department	Mobile No.	Signature
1.	Mr. Raghunath Prasad Singh	Chairman, APERC	98102 54974	
2.	Mr. Ashish Kundra, IAS	Commissioner (Finance)		
3.	Mr. Kaling Tayeng, IAS	Commissioner (Power)		
4.	Mr. Jokey Angu, IAS	Secretary, Consumer Affairs	9485235259	
5.	Mrs. Kipa Kaku	Chief Councillor, Itanagar Municipal Council	9436040744	
6.	Mr. Kaling Doruk	Chief Councillor, Pasighat Municipal Council	7085688176	
7.	Mr. Y. D. Thongchi, IAS Retd.	Former Chief Information Commissioner of Arunachal Pradesh	9485231967	
8.	Mrs. Jarjum Ete	Former Chairperson of A.P. State Commission for Women	9436041424	
9.	Mr. Ogum Moyong	Chief Engineer (P), Eastern & Western E. Z.		
10.	Mr. Anong Perme	Chief Engineer (P), TP&M Zone	9436040297	
11.	Mr. Takar Mara	Chief Engineer (P), Central Electrical Zone	9436229815	
12.	Mr. Jummar Kamdak	Chief Engineer (DHPD), Western Zone	9486050961	
13.	Mr. Along Ketan	Chief Engineer (DHPD), Eastern Zone		
14.	Mr. Taru Talo	Director, Industries		
15.	Mr. Ojing Darung	Commissioner, Labour		
16.	Mr. Rajen Pudur	HoD (Elect. Engineering), NIT	9436634942	
17.	Mr. Taba Ajum	Sub Editor, The Arunachal Times		
18.	Mr. A. L. Nagaraju	Managing Director, Devi Engineers Pvt. Ltd.	9440261171	
19.	Mr. Vijay Vyas	President, Shree Salasar Industries	9402278589	
20.	Mr. Techilala	President, Arunachal Chamber of Commerce		
21.	Mr. Yumlam Achung	President, Itanagar Bazar Welfare Committee		
22.	Mr. Tadar Sima	President, Naharlagun Bazar Welfare Committee	9402228188	
23.	Mr. Rakesh Kumar	Secretary, APERC		
24.				

Agenda of State Advisory Committee (SAC) Meeting to be held on 31st Oct' 2017

Sl. No.	Discussion Points
1.	Restructuring of Power Department: <ul style="list-style-type: none"> • Corporatisation of Deptt. Of Power for: <ol style="list-style-type: none"> 1. Autonomy in Functioning 2. Operational Improvement 3. Financial Strengthening 4. Inducing Accountability
2.	Strategy to Reduce Transmission and Distribution Losses (T&D losses) <ul style="list-style-type: none"> • Clarification on T&D and AT&C (Aggregate Technical & Commercial) losses • Identification of loss making areas • 100% Metering Status/Implementation of smart and pre-paid meters • Energy audit and accounting- Identification of Unmetered connections • Need of Govt. accredited Lab for Meter testing
3.	Tariff Structure of Department of Power <ul style="list-style-type: none"> • Tariff Review for different category of consumers • Introduction of Slab based tariff & fixed charges • Reduction in Cross- subsidy amongst different category of consumers
4.	Consumer Issues: <ul style="list-style-type: none"> • Reliable and Quality Power • Improvement in Complaint handling mechanism- Establishing of Call Centres • Introduction of E- services like SMS alerts for Shutdown/ load shedding, On- line payment, Filling of Online Complaints etc. • Concerns of Industrial Consumers and Small Power Developers
5.	Steps for improvement of DHPD <ul style="list-style-type: none"> • Corporatisation of Operation & Maintenance wing of DHPD • Increase in Generation level from existing plants • Revamping of defunct Hydro Stations • Renovation & Modernisation of old plants • Effective utilization of Manpower
6.	Awareness Programme in Public Interest <ul style="list-style-type: none"> • Regulations issued by the Commission directly concerning consumers • Regarding Govt. Schemes to the beneficiaries • Status/implementation of Grid Interactive Solar Roof top plants • Consumers Grievance Redressal Forum and Electricity Ombudsman
7.	Issues arising out of Non- Compliance of Statutory Directives of APERC and Ministry of Power.

Time : 10:30 am to 12:30 pm

Venue : APSERC's Conference Hall