

**RECORD-NOTE OF PUBLIC HEARING
ON ELECTRICITY TARIFF (DISTRIBUTION) PETITION FOR THE YEAR 2010-11,
UNDER THE PROVISIONS OF SECTION 64 OF THE ELECTRICITY ACT OF 2003,
HELD AT THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION PREMISES ON 28th APRIL, 2010.**

Present : See Annexure-I.

Initiating the proceedings of the day, the Chairman, MSERC welcomed all the participants who had come to attend the Public Hearing on Electricity (Distribution) Tariff for the year 2010-11, with reference to the Annual Revenue Requirement and Distribution Tariff Petition for the year 2010-11 submitted by the erstwhile Meghalaya State Electricity Board (MeSEB), now known as the Meghalaya Energy Corporation Limited (MeECL) with effect from 01.04.2010. He then asked the Secretary, MSERC to report on fulfillment of the statutory obligations for public hearing, as provided for by the provisions of Section 62-64 of the Electricity Act, 2003.

The Secretary, MSERC then made a brief report on the chronology of statutory steps taken on the Tariff (Distribution) Petition for the year 2010-11, as follows –

1. *MeSEB filed their Tariff (D) Petition for 2010-11 on 16th February, 2010.*
2. *ARR and Distribution Tariff proposal for 2010-11 was published under sub-section 2 of section 64 of the Electricity Act, 2003 in the following newspapers:-*
 - (a) the Shillong Times dated 23rd February and 3rd March, 2010.*
 - (b) Janera dated 24th February and 1st March, 2010.*
 - (c) U Mawphor dated 23rd February and 1st March, 2010.*
 - (d) Chityli dated 3rd to 9th March, 2010.*
3. *Notice for public hearing was sent to all concerned vide Commission's Letter No. MSERC/TP/10-11/001 dated 27th March, 2010.*
4. *Press Release for public hearing was published in:-*
 - (a) The Shillong Times dated 29th March, 2010.*
 - (b) Janera dated 29th March, 2010.*
 - (c) U Mawphor dated 30th March, 2010.*

and also announced by the All India Radio on 28th and 29th March and Doordarshan Kendra on Sunday the 28th March, 2010.

5. *Intimation was also given to the Members of the State Advisory Committee while serving notice for Advisory Committee meeting to be held on 29th April, 2010 vide Commissions Letter No. MSERC/12/2010/03 dated 7th April, 2010.*
6. *Principal Secretary, Power/Commissioner and Secretary Power, Meghalaya was intimated of public hearing vide this office letter No. MSERC/PH-2010-11/03/04 dated 8th April, 2010.*
7. *Short Notice on Public Hearing was also published by Meghalaya Times on 11th April, 2010 and U Peitngor on 16th April, 2010. Public Hearing was made by all India Radio on 27th & 28th April, 2010 in English & Local languages in the morning news bulletin.*
8. *MeSEB (now MeECL) sent a letter vide No. MeECL/SE(RA)/42/2010-11/50 dated 27th April, 2010 paying to MSERC to take up the Tariff Order 2009-10 before considering Tariff Petition for 2010-11 as the Hon'ble APTEL has remanded back the Tariff Order 2009-10 to MSERC. The Commission has rejected this petition with reasons and informed the Petitioner (MeECL) accordingly.*

The Chairman, then opened proceedings for all present to raise such issues, or make such comments or suggestions, as they may desire.

1. Shri D.P. Wahlang, Member Finance MeECL took the floor and submitted that MeECL had petitioned the Commission stating that in Appeal No.-----, the Appellate Tribunal for Electricity(APTEL) had remanded the Tariff(D) Order for the year 2009-10 back to the Commission for disposal. As such, it would be appropriate to process the Tariff (D) Petition for 2010-11 / take public hearing thereon, only after disposing of the remanded Tariff (D) Order for the year 2009-10. Chairman, MSERC responded stating that the Commission was yet to receive any authenticated Order to such effect, from the Registry of the Hon'ble APTEL. As such, MSERC would promptly comply with any direction from APTEL, as soon as it was received. The present hearing relating to the Tariff (D) Petition for the year 2010-11 was

in conformity with due process, and the Commission was unaware of any directive to act otherwise. The Commission had passed orders to such effect, earlier on date, disposing of the petition filed by MeECL in such regard. As such, the objection raised on behalf of MeECL was untenable and the present public hearing will continue to be held, as scheduled.

2. Shri Anand K Ganesan, learned Counsel for Byrnihat Industries Association then made the following submissions -

- (i) Referring to the Tariff Petition for the year 2010 -11, he drew attention to Table 16 at page 22 and stated that the projection made in regard to items like power purchase and repair & maintenance are unrealistic and very high. He added that MeECL is trying to load its inefficiency onto the consumers. He stated that T & D losses are very high to the extent of 39% which indicates that huge number of unmetered connection exists till date. He further pointed out that Section 65 of the Electricity Act 2003 mandates 100% metering within the period of 2 years.
- (ii) High Power Purchase Costs - The projected provision for power purchase is very high. Considerable amounts could be saved if MeECL resorts to well pre-planned and judicious purchase of power to meet the continuing power-gaps.
- (iii) Demand Charge : He stated that Demand Charge is raised on the Consumer by MeECL even when there is no supply of electricity supply by the said Distribution Licensee. He urged that for periods during which the MeECL was unable to supply the contracted demand level of electricity, it was

only fair, just and equitable that MeECL raise Demand Charges on Consumers, only for that fraction of the day or month during which they are able to supply the full contracted demand level of electricity.

- (iv) Employees Cost : He submitted that the projected Employees Cost for the year 2010-11, is over Rs.44.00 crores above the approved level for the previous year, without any justification or proper explanations. He added that this indicates the inefficiency of MeECL and suggested that for Employees Terminal Benefits – a Trust could be created to generate resources by paying employees from a Corpus Fund. Quiet a few Power Utilities are resorting to this practice. The DVC is an example.
- (v) Timely submission of Accounts. - It is not understand why the audited statement of accounts are not available even after an year of completion of a financial year. He urged that actual `Quarterly Statement of Accounts` should be submitted by MeECL to the Commission, quarterly.

At the request of the Chairman, the Byrnihat Industries Association agreed to send their submission in writing within, a weeks time.

3. Mr. D. P. Wahlang, Member Finance, Meghalaya Energy Corporation Limited, then submitted orally, as follows:-

- (i) He disagreed that the power purchase cost is high and said that it was marginal and authentic. He also stated that the data projected

was fully supported by Accounts audited by the C&AG. Power purchase costs are much lesser, compared to the past.

- (ii) Increase in Repair and Maintenance is not very high and is marginal in view of the scheduled commissioning of Myntdu Leshka Hydel Electricity Power Project.
- (iii) Interest and Finance Charges is much lesser than the level allowed by the Commission in the last Tariff Order.
- (iv) Employees cost is high due to pay revision of the employees of MeECL , due from 01 January, 2010.
- (v) All new connections are metered connections and action is being taken for metering the unmetered connections.
- (vi) Part payment of Bills, as made by the Industrial Consumers who are Members of the Byrnihat Industries Association is illegal and unauthorized.
- (vii) Meghalaya State Electricity Board has been corporatised as Meghalaya Energy Corporation Limited with effect from 1st April, 2010

Keeping in view their conflicting submissions, the Chairman, MSERC desired that both parties, namely (1). the Byrnihat Industries Association, and (2). the Meghalaya Energy Corporation Limited should submit duly sworn Affidavits stating their sworn position based on records and stand on all issues raised during public

hearing. As indicated above. Both the parties agreed to do so within fifteen days, ending 14 May 2010.

Shri. Naba Bhattacharjee : He extended his gratitude to the Commission for the relief extended, in the last Tariff Order, to the Greater Shillong Crematorium and Mortuary Society which is a voluntary non profitable society. He further requested to reduce the fixed rate for crematorium, in line with the Tariff in States like Madhya Pradesh, West Bengal, Maharashtra, etc.

Shri. F.B. Lyngdoh and Shri. B.E. Wahlang : representing Meghalaya Pensioner Association stated that the present rates for domestic consumers should not be further increased.

Shri. P.M. Passah: informed the Commission that there is no transparency in billing as metering record cards provided to the individual consumers are not recorded by the Meter Readers. He alleged that the bills are prepared through manipulation. He also said that the bills are not served regularly and the billings are in excess of the actual consumption. He also stated that on number of occasions he has made representations to the Board now MeECL but nothing has been done by the concerned authorities to his queries.

Responding Shri. D.P. Wahlang representing MeECL stated that Meter Reading cards are in place and if there is no recording the matter would be looked into.

Shri. Gaurav Sadh : stated that power is the basic requirements running Industries in the State, but power is not adequately available. He prayed

for open access to be allowed to interested parties for availing power directly from power exchange.

The hearing close with a vote of thanks from the Chairman, MSERC.

Sd/-
(P.J.Bazeley)
Chairman, MSERC

ANNEXURE-1**Public Hearing dated 28th April 2010.**

Sl.	Name	Organization	Signature
1.	Anand K Ganesan, Advocate	BIA	<i>Anand</i>
2.	Susapna Seshadri, Advocate	BIA	<i>Susapna</i>
3.	Shyam Sundar Aravamud	BIA	<i>Shyam</i>
4.	Bairamg Lohia	BIA	<i>Bairamg</i>
5.	Pranab Mohr	BIA	<i>Pranab</i>
6.	B. E. WALLANG	MPA	<i>Bony</i> 28/04/10
7.	F. B. LINGDOH	"	<i>F. B. Lingdoh</i> 28/04/10
8.	NABA ADVISOR BHATTA CHARGRE	Gopal K. Shillong General Secretary NABAC	<i>Gopal K. Shillong</i> 28/04/10