

THE MEGHALAYA
STATE ELECTRICITY REGULATORY COMMISSION
SIXTH ANNUAL REPORT
2012 - 2013



**NEW ADMINISTRATIVE BUILDING, 1ST FLOOR, LEFT WING, LOWER
LACHUMIERE, SHILLONG – 793001**

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ANNUAL REPORT

2012-13

1. INTRODUCTION

The Meghalaya State Electricity Regulatory Commission was notified by the Government of Meghalaya under the provision of Section 82 of the Electricity act 2003 on 26 March 2004. The Commission became functional on 6th of June, 2006 on which date the first Chairperson, Shri. Vinay Kohli, IAS (Retd) assumed charge. Shri. Kohli demitted office on 11 January, 2009. Shri P J Bazeley, IAS(Retd), took over as Chairman of the Commission on 1st July 2009 and demitted office on 22 February 2011. The present incumbent Shri. Anand Kumar joined the Commission on 2nd August 2011 as Commission Chairman. During the period, the Commission endeavoured to set up a fair, transparent, and objective electricity regulatory process in the state of Meghalaya. The Fifth Annual report was sent to Commission & Secretary, Power Department vide letter No. MSERC/AR/11-12/11 dated 05 January 2013. This Sixth Annual Report is for the year 2012-13.

2. THE COMMISSION

The Commission was constituted under the provision of the Electricity Act 2003. The commission is a body corporate having perpetual succession and common seal with power to acquire, hold and dispose of property both movable and immovable and to contract and shall by the said name sue or sued. In addition the commission is a quasi-judicial body with effect from 6th June 2006.

This commission is a one member Commission. In recognition of the need for multi-disciplinary approach while addressing issues related to independent regulation, the statute prescribes that the chairman shall be person of ability, integrity and standing who have adequate knowledge of and having shown capacity in dealing with problems relating to engineering, finance, commerce, economics, law or management. The chairman is appointed by the Government of Meghalaya from a panel recommended by Selection Committee constituted as prescribed under the statute. The statute also provides for the appointment of a secretary to the commission whose powers and duties are defined by the Commission.

3. MISSION OF THE COMMISSION

The mission of the Commission is to:

- (a) promote reforms in the electricity sector;
- (b) encourage transparency, competition and economy;
- (c) regulate the power purchase and procurement process of the distribution utilities.

- (d) secure that the legitimate interests of all stakeholders including the consumers.

4. FUNCTIONS OF THE COMMISSION

The Commission is vested with the responsibility of discharging the following statutory functions:

- (1) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be within the State;
- (2) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (3) facilitate intra-State transmission and wheeling of electricity;
- (4) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (5) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of distribution licensee;
- (6) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- (7) levy fee for the purposes of the Electricity Act, 2003;
- (8) specify State Grid Code;
- (9) specify or enforce standards with respect to quality, continuity and reliability of service by licensee;
- (10) fix the trading margin in the inter-State trading of electricity, if considered necessary;
- (11) discharge such other functions as may be assigned to it under the Electricity Act, 2003;
- (12) advise the State Government on all or any of the following matters, namely:-

- (i) promotion of competition, efficiency, and economy in the activities of the electricity industry,
 - (ii) promotion of investment in electricity industry,
 - (iii) reorganisation and restructuring of the electricity industry in the State including, more particularly, matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.
- (13) The State Commission shall ensure transparency while exercising its powers and discharging its functions.
- (14) In discharge of its functions the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3.

5. CHAIRPERSON

During the period under report, the Commission was headed by Shri. Anand Kumar as Chairperson.

6. CONSULTATIVE BODIES

The Chairman of the Commission is a member of the Forum of Regulators (FOR), a statutory body established in accordance with the provisions of sub-section 2 of section 166 of the Electricity Act, 2003.

During the period under review several meetings of the Forum and its sub-committees were held. These meetings helped in coordinating and aligning regulatory matters, policies and practices followed by different states.

The Chairman is also a member of the Forum of Indian Regulators (FOIR). This is a registered society and predates the Forum of Regulators. The membership of this body is not confined only to regulators in the Power sector. Several members of this forum have a wealth of experience of regulatory processes and procedures and the deliberations provide an opportunity for wide ranging in-depth examination of technical, legal and implementation issues.

7. HUMAN RESOURCE.

At the officer level two posts have been created. Smti. Marylene Synrem joined the post of Finance and Accounts Officer on 1st November, 2006.

Under the Electricity Act 2003, the Secretary of the Commission assist the Chairperson in all statutory matters and in personnel, administration, accounts/Finance. The State Government was unable to spare the services of an Officer on full time basis, for

appointment as Secretary. The Commission appointed Smti. C.T. Sangma, MCS (Retd) as Secretary. However, Smti. Sangma resigned from Commission on 31st October 2009. Shri. J.B. Poon, retired CE (Electrical) of MeSEB was then appointed as Secretary of the Commission from 1st November 2009 and continues to hold the post.

The other support staff consists of two stenographers, one lower division assistant, two drivers, three peons, one cleaner and one chowkidar.

Besides full time employees, the Commission has been utilising the need based services of consultants in the disciplines of law, finance and electrical engineering.

8. OFFICE ACCOMODATION

On September 2007, the State Government allotted one wing of the 1st floor of the New Administrative Building at Lower Lachumiere, Shillong. The Commission moved to these new premises in December, 2007.

9. LAN & WEBSITE:

The computers in the Commission's office are connected through networking to local area network (LAN). The system is useful for access of any information. The commission has its own website, www.mserec.gov.in, which is regularly maintained and updated by the NIC. The website is used for hearing schedules, news, updated, tariff related issues, meetings, inviting comments on concept papers, regulations, petitions, tenders, job vacancies, etc. It also provides information on Consumer Grievances Redressal Forum and Ombudsman and guides the consumer for redressal of their grievances. Further information like updating notified Regulations, Orders and Reports are also available and can be downloaded from the website.

10. STATE ADVISORY COMMITTEE

In exercise of the powers conferred under section 87 of the Electricity Act, 2003, the Commission, under a notification dated 5th February 2007, constituted the Meghalaya State Electricity Advisory Committee to advise on questions of policy, protection of interest of consumers, and other matters relating to supply and distribution of electricity in the State. This Committee has been reconstituted by the Commission on 17 March 2010 with the following members:

Chairperson Ex-officio	1.	:	The Chairman, Meghalaya State Electricity Regulatory Commission
Member Ex-officio	2.	:	The Principal Secretary/Commissioner and Secretary, Food, Civil Supplies and Consumer Affairs Department, Government of Meghalaya.
Members	3.	:	Shri. Macmillan Byrsat, Pyndegrei Village, PO: Nongstoin-793119, W K Hills.
	4.	:	Shri.E.N.Marak, MCS(Retd), Matchkogra,PO;

Araimile, Tura-794101, WGHills.

5. : Smti. J.E.Shullai, Shillong;
 6. : Prof. Eugene D. Thomas,
Pro-Vice Chancellor, NEHU, Tura Campus
Tura-794002, WGHills.
 7. : Shri. Darlington Dympep,
General Secretary Meghalaya State
Commission, AITUC;
 8. : Shri. S.K. Lato, Jowai;
 9. : Shri. Ramesh Bawri, President Confederation of
Industries, Meghalaya, Bawri mansion,
Dhankheti.
 10. : Chairman, the Institution of Engineers (India),
Meghalaya Centre, Barik Point, L. Lachumiere,
Shillong - 793001
 11. : Director (E&M) HQ,CE Shillong Zone,
SE Falls, Shillong-11, Phone: 2534847
 12. : Vice President (BD), IEX, New Delhi).
- Convener : The Secretary, MSERC

11. CGRF

The Electricity Act, 2003 make elaborate provisions which seek to protect the interest of consumers. The National Electricity Policy and the Tariff Policy framed Under the Act reinforce its provisions. They stipulate a road map and action plan for various stake holders in ensuring protection of consumers' interests.

In line with the provisions of the Act and the policies, steps have been taken by stakeholders in different states towards institutionalizing the mechanisms of grievances redressal machinery, such as the Consumer Grievances and Redressal Forum (CGRF) and the Ombudsman. Performance standards have also been specified delineating, inter alia, the requirements on quality of supply. A consumer advocacy system has also been institutionalized in some states to educate consumers about their rights and obligations.

MeECL vide notification No. MeECL/GA.II/270/2007/280 dated 20 January 2012 & MeECL/GA.II/270/2007/292 dated 18 April 2012, constituted the Consumer Grievances Redressal Forum with Headquarter at MeECL corporate office, Lumjingshai with the following members:

- 1 Smti. Mildred Iawphniaw
Post Master General (Retd) - Chairperson

- 2 Shri. Jitendra Sarma. - Member
CAO (Retd) MeECL
- 3 Shri. A D Shabong
CE (G) (Retd), MeECL - Member

Powers and function of the Forum:

- (a) The Forum shall examine and consider all complaints that it receives and pass orders for the corporation to remedy the fault or defect within such time as it may decide.
- (b) In exercising its function the Forum shall have powers to call for information from the Corporation or any other person concerned and to hear him.
- (c) In dealing with any matter, the Forum may engage or consult a person having special knowledge or skill in the field.
- (d) A complaint shall disposed of within a maximum period of fifteen days from the date of receipt and the complainant consumer and the Corporation shall be informed of the decision taken.

Under the said Regulations, the grievances may relate to:-

- (a) Voltage fluctuation.
- (b) Erratic supply of Electricity.
- (c) Defective billing.
- (d) Defective meters.
- (e) Defective street lights.
- (f) Default in attending to routine complaints.
- (g) Any other fault or defect which the licensee is duty bound to attend and rectify.
- (h) Non giving or delay in giving electricity connection to an applicant.

The Hon'ble Tribunal has directed, "all the State Commissions/ joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints

received/adjudicated or settled) to the Secretary, Forum of Regulators who will comply and post the said information online. He would also file a status report in this Tribunal once in 03 months in the Format already approved through our order dated 15-04-2010.”

The monthly status is being conveyed by the MSERC to the Secretary FOR in the prescribed Format by 15th of each month regularly so that APTEL can be apprised of.

12. OMBUDSMAN

Powers and function of the Ombudsman.

- (1) If the licensee fails or neglects to remove or set right the fault or defect complained of by the consumer or if the Forum neglects or is otherwise unable to deal with the complaint made to it the aggrieved consumer may, within ten days from the last day of the time set for under sub-regulation 91) of regulation 6 or from the date of seeking redressal from the Forum under sub-regulation (1) of regulation 4, as the case may be, make a representation to the Ombudsman for redressal of the grievance.
- (2) On receiving a representation, the Ombudsman shall after due examination and consideration settle the grievance of the consumer.
- (3) In exercising its function the Ombudsman shall have the powers to call for reply, information date, records and other related documents from the licensee or from any other person who may be concerned with and to hear them.
- (4) The Ombudsman may, If necessary, engage or consult a person having special knowledge or experience in the matter under consideration for this opinion or advice.
- (5) Notwithstanding anything contained in his regulation the Ombudsman may *suo-moto* take up any matter which is a subject of general grievance by consumers relating to supply of electricity in any area in the State.

In exercise of the power under section (2) of section 181 read with sub – section (5) and (7) of section 42 of the Electricity Act 2003 and the regulations framed there-under, the Meghalaya State Electricity Regulatory Commission has appointed Electricity ombudsman.

Sl. No	Name of Ombudsman	Tenure	
		From	To
1.	Shri. A.V. Rangad	01 st May 2007	30 th April 2010
2.	Shri. W Rynjah	03 rd May 2010	02 nd May 2013

The Hon'ble Tribunal has directed, "all the State Commissions/ joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints received/adjudicated or settled) to the Secretary, Forum of Regulators who will comply and post the said information online. He would also file a status report in this Tribunal once in 03 months in the Format already approved through our order dated 15-04-2010."

The monthly status is being conveyed by the MSERC to the Secretary FOR in the said Format by 15th of each month regularly so that APTEL can be apprised of.

13. REGULATIONS FRAMED BY THE COMMISSION

The Commission had notified the following Regulation during the period under report which was published in the Meghalaya Gazette.

1 Meghalaya Electricity Supply Code, 2012.

In accordance with Section 50 of Indian Electricity Act, 2003 Meghalaya Electricity Regulatory Commission made Electricity Supply Code to provide for recovery of electricity charges, billing of electricity charges, new connection procedure, disconnection on non payment, restoration of supply, tampering of electrical equipments, metering and payment of electricity bills, etc.

2 MSERC (Terms & Conditions of Open access) Regulations, 2012.

In accordance with Section 39 & 42 of Indian Electricity Act, 2003 Meghalaya Electricity Regulatory Commission made MSERC (Terms & Conditions of Open access) Regulations, 2012 which shall apply to open access for use of intra-state transmission system and distribution system in the State of Meghalaya including when such system is used in conjunction with inter-state transmission system.

3 MSERC (State Grid Code) Regulations, 2012.

In accordance with Section 86 of Indian Electricity Act, 2003 Meghalaya Electricity Regulatory Commission made MSERC (State Grid Code) Regulations, 2012 which lays down the rules, guidelines and standards to be

followed by all users of the State Transmission system to operate and maintain efficient and co-ordinated grid discipline in the NE Regional grid System in general and Meghalaya in particular..

4 MSERC (Grant of License for Trading in Electricity) Regulations, 2012.

In accordance with Section 52 of Indian Electricity Act, 2003, Meghalaya Electricity Regulatory Commission made MSERC (Grant of License for Trading in Electricity) Regulations, 2012 for granting of License to any persons who undertake trading in Electricity by filing an application under Section 15 of the Electricity Act 2003, for such a period as the Commission may deem fit based on merit of each case.

5 MSERC (Power purchase & Procurement) Regulations, 2012.

In accordance with Section 86 of Indian Electricity Act, 2003 Meghalaya Electricity Regulatory Commission made MSERC (Power purchase & Procurement) Regulations, 2012 which shall apply to all distribution licensee.

6 MSERC (Standard of Performance) Regulations, 2012.

In accordance with Section 86 of Indian Electricity Act, 2003 Meghalaya Electricity Regulatory Commission made MSERC (Standard of Performance) Regulations, 2012 which shall apply to all distribution licensee. \

Apart from notifying new regulations the Commission has also issued Draft RE Regulations asking stakeholders and utilities to submit their comments. FPPPA has been allowed in the State of Meghalaya by the Commission.

14. FINANCIAL RESOURCES

Section 103 of the Electricity Act, 2003 provides for the creation of a State Electricity Regulatory Commission fund. Section 102 of the Act provides for grants and loans to be extended to the Commission by the State Government. In addition any revenue arising out of collection of fees by the Commission is also to be credited to this fund. Against this background the situation for the period under review is as follows:-

1. This Commission received Rs 102.06 Lakhs as grants-in-aid from State government in 2012-13.
2. In terms of fees the Commission has so far received Rs 25.01 lakhs from the Me.ECL & others for the tariff applications/petitions filed by them during the period.

15. TARIFF ORDER FOR SLDC

The Commission on 26th March 2013 issued Tariff Order for SLDC for fiscal year 2013-14 after due publicity, public hearing and consultation. While issuing the Tariff order the Commission had given a number of new directives to the SLDC to comply with.

Commission's Directives:

In order to facilitate the compliance of functional responsibilities by SLDC, the Commission has to ensure that SLDC are equipped with State of art communication and data acquisition capability on real time basis. With this, the objective of the National Electricity Policy to provide facilitative framework for non discriminatory open access in the state shall be met. Keeping this in mind the Commission directs the SLDC and transmission licensees to do the following:

(1) Capacity Building at SLDC

SLDC should prepare a staffing requirement, organisational structure and incentives to attract qualified personnel while preparing their annual budget. They will get the approval of their ARR by the Commission. They would also make a requirement for periodical training of personnel in system operation, market operation, logistic, open access and regulatory matters.

(2) Ring Fencing of SLDC for functional independence

For effective ring fencing of SLDC there is an urgent need to delegate functional independence to SLDC with an appropriate reporting system for administrative control and recording of confidential remarks. The SLDC may remain under the administrative control of STUs until a separate government company is established. In this connection, the MSERC advises the State Government under the powers given to it by Electricity Act, 2003 to make SLDC functionally independent. The State Government needs to ensure that SLDC do not report directly or indirectly to distribution and trading licensees in the State.

(3) System of accounting

SLDC shall develop a system of accounting of open access in terms of charges and energy transferred in intra-state operation. A report of compliance including

data of open access and metering should be made available to the Commission at the time of next tariff filing.

16. TARIFF ORDER FOR TRANSMISSION

The Commission on 28th March 2013 issued Tariff Order for MePTCL for fiscal year 2013-14 after due publicity, public hearing and consultation. While issuing the Tariff order the Commission gave number of new directives to the MePTCL to comply with.

COMMISSION DIRECTIVES

The Commission in its previous orders for open access and retail tariff had issued a number of specific directions to the transmission utility with an objective of attaining operational efficiency and stream lining the data collection which would be beneficial for the state, consumers and the utility. The Commission has directed that transmission licensee shall comply with the provisions of the State Grid Code, CEA - Metering, Commission's Regulations. In this order the Commission issues new directions to the transmission licensee MePTCL which are as follows:

- (1) The licensee shall adhere with the provisions of State Grid Code with respect to interface meters, monitoring of drawal, record of keeping, scheduling and operation.
- (2) The licensee shall make expeditious efforts for finalising their statement of accounts including separate fixed assets register for transmission business from the date of their start of business onwards.
- (3) MePTCL is required to get clearances of the Electrical Inspector before charging the HT/EHT works project for capitalising the same in the ARR. From the next year ARR the Commission shall consider capitalisation of only those capital works which has certificate from the Electrical Inspector.
- (4) The licensee is directed to complete the process of ring fencing as per the guideline of GOI and start independent operation of SLDC in accordance with the tariff order issued for SLDC from 2013-14.
- (5) MePTCL is directed to device and develop in consultation with the beneficiaries a suitable infrastructure including metering and mechanism for recording and collection of information required for calculation of voltage wise losses at transmission level within a period of six months from the issue of this order.

- (6) MePTCL should initiate the exercise of energy audit in the transmission sector and determine the exact losses in the system by the time next ARR is filed.
- (7) MePTCL is required to submit the norms for O & M expenses, etc as per the Commission's regulation at the time of next tariff filing so that the Commission may take a view in the matter.
- (8) The transmission licensee shall comply with directives issued by despatch centres/appropriate authorities in order to maintain grid discipline immediately and report any major incident with the report to the Commission within 15 days of such incidents.

17. TARIFF ORDER FOR GENERATION

The Commission on 30th March 2013 issued Tariff Order for MePGCL for fiscal year 2013-14 after due publicity, public hearing and consultation. While issuing the Tariff order the Commission gave number of new directives to the MePGCL to comply with.

COMMISSION DIRECTIVES

- (1) Power purchase agreement: The regulation prescribes that there would be a power purchase agreement or commercial agreement between the company and beneficiary company. It will contain all the terms and conditions for purchase of energy and payment thereof. It would also cover the installed capacity and designed energy and the period of supply. The PPA should be in accordance with the tariff regulation notified by the Commission from time to time. Accordingly, the Commission directs the generating company and MePDCL to have a commercial agreement for purchase of energy from MePGCL plants within three months of issue of this order.
- (2) MePGCL shall file a tariff petition for new projects like Leshka and Lakroh after their COD is achieved for determination of final tariff.
- (3) Regulation prescribes that norms of operation shall be determined for each plant separately by calculating normative annual plant availability factor (NAPAF), auxiliary consumption and transformation losses. This year the Commission is not satisfied with the assumptions taken by the generating company for working

out their NAPAF for each plant without any validated supporting information. The Commission directs MePGCL to conduct a study for determining the designed energy, availability, generation, water levels and determine NAPAF based on actual data and submit a report to the Commission with supporting data within six months time.

- (4) Performance improvement: The Commission directs MePGCL to conduct a bench marking study of its plant with other efficient utilities to explore further scope of improvement in operational efficiency, optimal utilisation of the sources, man power rationalisation including incentive/disincentive schemes. This study should give bench mark for each plant in respect of key parameters including cost and submit a report within six months of this order.
- (5) Renovation and modernisation of existing plant: The Commission directs MePGCL to make comprehensive RMU schemes for efficiency improvement and life extension of old and existing plants and submit the detailed project report to the Commission within a period of six months giving road map for completing these schemes.
- (6) Financial statement of accounts: The Commission directs MePGCL to complete their annual accounts for 2012-13 and get it audited as per the statutory requirement so that in the next year ARR determination the Commission is not handicapped for want of audited data.
- (7) It is directed that MePGCL shall open a depreciation reserve account within 30 days of this order wherein the depreciation amount against existing plants shall be deposited. This fund shall be used for renovation and modernisation and other investments. A report shall be submitted at the time of next tariff.

In this tariff order, the Commission has allowed all efficient and prudent cost incurred by the generating company and determine tariff so as to improve their capacity to serve the consumers of the State in a reasonable and efficient manner. In absence of audited accounts for MePGCL and completion of third unit of Leshka and Lakroh project, the Commission has determined tariff for existing plant on actual cost basis and

for new plants on provisional basis as an interim measure. However, the Commission shall review the generation tariff for each plant separately at the time of next tariff application when actual cost of each plant shall be filed separately with duly verification and audit. The Commission expects the generating company to complete their ongoing projects in time and within the approved budgets, in accordance with Commission's Orders & Regulations so that they get their legitimate returns and the consumers are also not unduly burdened. The Commission expects from MePGCL to ensure compliances on each directives issued by the Commission in timely manner and the efficiency at each level shall improve from the current level and will be at par with the best standards in the sector.

18. TARIFF ORDER FOR DISTRIBUTION

The Commission on 30th March 2013 issued Tariff Order for MePDCL for fiscal year 2013-14 after due publicity, public hearing and consultation. While issuing the Tariff order the Commission gave number of new directives to the MePDCL to comply with.

In accordance with the provisions of Commission's Regulation the distribution Licensee has to implement the orders or directions issued by the Commission from time to time in respect of the conditions under the license. In exercising the powers given under the regulations, the Commission in order to protect the interest of the Consumers as well as the State Power Sector would like to issue following directives to MePDCL to be completed in the time frame as stipulated therein.

Compliance of Directives issued in 2012-13

1. The Commission directs licensee to send action taken report along with status of compliance in each directive issued in the last tariff order. This report should reach the Commission by 30th April 2013.

Fresh Directives

The performance of MeECL has not been satisfactory as the T & D Losses continues to be high. The Commission in the Tariff Order of 2011-12 & 2012-13 has provided a trajectory for reduction of losses in next four years. In order to improve commercial losses an efficiency improvement of 1.5% is again targeted for 2013-14. This will thus enable the licensee to get additional revenue of about Rs. 10

crores in 2013-14. Accordingly, the Commission directs the MeECL to do the following:

- a. To submit to the Commission a concrete action plan to be undertaken by it in reducing the T & D Loss and the AT & C Loss in each circle. The action plan should cover time bound targets in reducing the commercial losses as per the trajectory for 2013-14. MePDCL should nominate a nodal officer in each circle to send report on actual losses, revenue billed and revenue collected each month to the Commission. List of nomination for each circle should be sent by 1.5.2013.
- b. Reduction of losses can be done by using measures of change of defective meters, improvement in billing and collection and measures to check pilferages or thefts, conducting vigilances and inspection, changing from Electric mechanical meter to Electronic meters etc. This action plan should cover the targets fixed for each and every division or circle of MeECL for collecting additional about Rs.0.66 crores per month over and above the normal sales target. This action plan should reach to the Commission by 01.05.2013.
- c. MePDCL shall start monitoring the performance of all six circles in distribution by getting information on sale, revenue and AT & C losses every month. MePDCL shall forward a monthly review report of all the circles to the Commission by 15th of every month.
- d. MePDCL shall send an action plan for improvement in metering and billing for 2013-14. MePDCL shall forward a monthly report on target fixed for each circle for replacement of defective meters and compliance thereof. This report should reach the Commission every quarter.
- e. MePDCL shall also forward a report to the Commission every quarter on the number of cases in each circle where meters are not read, or consumers are billed on normative basis without meter reading and number of unmetered consumers. MePDCL shall also fixed target for monitoring such cases.
- f. MePDCL shall forward within one month a report on the pilot study being done in Police Bazar on energy audit by metering distribution transformers. The Commission has already directed MePDCL to start this work w.e.f. 01.09.2012.

- g. The Commission directs MePDCL to make serious efforts on the metering and energy audit of industries in the State so as to know the correct level of consumption and revenue from this category. A report on this exercise should be made available to the Commission within three months of this order.

(ii) Time of Day Tariff

MePDCL is directed to prepare time of day provisions in their existing meters for consumers of HT industrial load and furnish data of the same to the Commission for implementation of time of day tariff from the date of issue of next tariff order. The Commission also directs the licensee to make a proposal to the Commission with regard to peak hours and off peak hours during winter and summer so that the new tariff shall be worked out.

(iii) Computerised billing

The Commission directs MePDCL to introduce computerised data base of consumers so that consumer can deposit their bills at any collection centre. A status report on this project may be submitted within one month time.

(iv) Energy Audit

The Commission directs the management to look into this matter and take action on priority to start energy audit in at least those areas where consumption and revenue are highest. The action plan should be submitted to the Commission by 30th June 2013.

A report on metering status in all 33 KV substations should be prepared and provided to the Commission with action plan for making them functional and reading of such meters are done on regular basis.

(v) Revenue Audit

Commission directs MePDCL to get revenue audit of billing in each circle immediately from independent CAG approved auditors within three months of issue of this order. The auditor should check all industries and other revenue yielding consumers, domestic and commercial consumers in Shillong that they

are being billed correctly on the basis of applied/allowed tariff and give their report to the Commission by 30th June 2013.

(vi) Improvement in supply

The Commission directs MePDCL to supply electricity to all parts of the State without discrimination as the first priority and in case of no existing demand or additional demand in the State this surplus energy should be sold outside either on bilateral or competitive basis. Monthly report on availability of energy, supply hours in all circles should be made available to the Commission starting from 1st June, 2013.

19. FINANCIAL DISCIPLINE

In terms of sub-section (1) of section 104 of the Electricity Act 2003, the Commission is required to maintain accounts and other records and prepare Annual Statement of Accounts in such forms as may be prescribed by the State Government in consultation with Comptroller and Auditor General of India (CAG). Under the provisions of sub-section (2) of Section 104 of the Act *ibid*, such Accounts are to be audited by the CAG.

The State Government, vide letter No. PE. 102/2005/27 dated 26th June 2006, informed the Commission that the rules for the maintenance of accounts of the Commission were under consideration in consultation with the CAG. Pending finalisation of the rules the Commission was asked to follow the draft rules of the Assam Government for the Assam Electricity Regulatory Commission.

After consultation with CAG, the Commission has forwarded the accounts format meant for compiling accounts for central autonomous bodies to be approved and notified by the Government of Meghalaya vide the Commission letter No. MSERC/comp-Acts/04/2010/0111 dated 22 November 2011.

20. AUDIT REPORT

The Commission engaged CAG empanelled statutory auditor M/s Randall & Co. Chartered Accountant for internal auditing to audit the accounts of the Commission for the FY 2006-07, 2007-08, 2008-09, 2009-10 and M/s R. Pal & Co. Chartered Accountant for auditing the accounts of the Commission for 2010-11, 2011-12. The Annual Report for this period had been submitted to Power Department vide Commission letter No. MSERC/51/2008/12 dated 07 January 2013 which was placed in the Budget Session of Meghalaya Legislative Assembly and approved.

21. CONCLUSION

Commission will be monitoring the action taken on the directives issued to MeECI on submission of performance reports. During the period under review, the Commission received considerable support and encouragement from the Government, the Meghalaya Energy Corporation Ltd. and from all section of the public of Meghalaya. It is expected that this support will continue during ensuing years and the Commission would be in a position to consolidate the work done so far and take further strides towards establishing a sustainable electricity regulatory and reform process in Meghalaya.