

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

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FOREWORD

Shri Rin Sanga
Chairman

The Joint Electricity Regulatory Commission for Manipur and Mizoram (JERC for M&M), the first Joint Commission in the country has completed one full year since its operationalization from January 24th, 2008, i.e., at the fag end of the year, 2007-08. Nothing much could be done within 2007-08 except search for a suitable building to house the office and arrangement for a skeleton staff. It was only when the initial teething problem was solved that the two-Member Commission could sit down to work; the first and foremost task being framing of essential regulations like Conduct of Business, Terms and Conditions for Determination of Tariff and the like. This process necessitated consultation and interaction with sister Commissions functioning in the region. Whatever regulations could be formulated within their competency, the Commission had spared no effort to do so with full justice. Such of those Regulations which were of technical nature requiring experts' guidance, were left to the Consultancy Organisation that this Commission has engaged. In the process all the stakeholders were consulted. It is therefore, a matter of satisfaction that before the close of the year, as many as 8 essential regulations could be notified.

Higher echelon of posts as per the staffing pattern prescribed by the Central Government are to be filled up either by deputation or by short term contract employment. This exercise could start only after we received approved Recruitment and Conditions of Service Regulations from the Central Government in October 2008. Our sincere effort to have the required number of officers on deputation from the two State Governments could not materialise except for the post of Assistant Secretary and that of Assistant Chief (Engg.). In particular, our inability to have a full Secretary on deputation within the year under report has been a matter of anxiety. In this background, it has been felt necessary to widen the area of search up to the national level.

There are reasons to feel that the process of reforms in the power sector in Manipur and Mizoram has been on the slow side. From the beginning these two States did not have their own State Electricity Boards (SEBs) and the power sector was managed directly by the Department of Power in both cases. There is therefore, no Board to be unbundled with the enforcement of the Electricity Act, 2003 and corporatisation of Power Department into Government companies appears to be the only answer. From commercial point of view, the meagre number of consumers and the present low demand of power for industrial and commercial activities in both the States may adversely come in the way of attracting investment in generation and distribution. There appears to be no alternative left, as of now but to hasten the process of corporatisation of Power Department. We understand

that both the States have made a beginning in this direction and we wish they complete the process in the manner most suited to their respective condition. In this regard, we also take note of the indication given by the Central Government that further provision of funds to this Commission during the first 5 years as per the Memorandum of the Agreement will depend on the speedy corporatisation or otherwise of their respective Power Department.

With the essential regulations in place, this Commission has requested the Department of Power in both the States to complete the required formalities for revision of tariff by end of March, 2009 so that the process of revision could commence from April, 2009 onwards.

Incidentally, the Department of Power & Electricity, Mizoram had approached this Commission during April, 2008 to help in fixing user charge/tariff for the proposed Tuivai Hydel Project (210 MW) to be taken up under PPP mode which is not economically viable, thereby prompting the Department to request the Department of Economic Affairs, GOI to avail VGF for the said project. The DEA had observed that the tariff for the proposed project be fixed by concerned SERC before hand. In response, this Commission after due diligence and on the basis of required information furnished to it had fixed the tariff accordingly. With this, the Department of Power and Electricity, Mizoram had again approached the Central Government for sanction of VGF.

As things stand, power requirement of Manipur and Mizoram is roughly 150 MW and 60 MW respectively. Per capita consumption of power in both the States is below 200 units as against the National Average at 700 units. The National Policy is to achieve 1000 units and power to all by 2012. Availability of power in both the States therefore, needs to be increased manifold by way of generation and purchase from outside. As both the States are favourably endowed with Hydro potential; they should initiate steps to build Hydel Power Projects on war footing.

Power reforms measure having not effected these two States in adequate measure, it is high time that they avail of the liberal provisions of the Electricity Act, 2003. In the globalized world, competition is the key tenet for security, just and reasonable price of electricity. It can be truly achieved when there are sufficient number of players in the energy market which at present is absent in both the States. It is for their good that these States make this sector attractive for players to come in.

I wish to express my gratitude to the Secretary Power and Electricity Department, Government of Mizoram for the constant support and cooperation to this Commission, particularly in its initial period of inception. This Commission looks forward to full support and cooperation of the State Governments, Utilities and Consumers in pursuing the task entrusted to it.

RIN SANGA

Aizawl
The 26th May, 2009.

1. INTRODUCTION

This is the second Financial Year of the Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (JERC for M&M) after it came into existence in January, 2008. The Commission's first Annual Report, 2008-09 was published and the same placed before the Houses of Legislature of both Manipur and Mizoram during March, 2009.

During the second Financial Year, the Commission notified almost all the important Regulations for operationalization of the Commission. Before publication of each regulation, the drafts were sent to both the State Governments as well as to the respective Power Department for their comments. Only after such consultations, regulations would be finalised and notified. In the case of Standards of Performances by the utilities and the Supply Code, discussions were held between the Commission and the Power Departments of both the States during February 2009; thereafter the concerned Regulations were finalised and published.

The Commission is a two member Commission. The Chairmanship is on yearly rotation basis between the two members. Shri H.Bihari Singh was the Chairman of the Commission from January, 2008 to 24th January, 2009 and Shri Rin Sanga is the Chairman of the Commission w.e.f. 25th January, 2009.

The administrative wing of the office is headed by Shri. Lalbiaktluanga, Assistant Secretary during the year under report in the absence of a Secretary the post of which is lying vacant. The Organisation Chart of the Commission is given in Annexure I.

2. STAFFING PATTERN

The sanctioned Staff strength of the Commission are as given below:

Sl. No	Name of Post	Scale of Pay (pre-revised)	No. of posts sanctioned
1	Member		
	(i) Engineering/Legal	22400-24500	1
	(ii)(Adminstration/ Management/ Financial)	22400-24500	1
2	Secretary	18400 – 22400	1
3	(i) Chief(Finance)	18400 – 22400	1
	(ii) Chief (Engineering)	18400 – 22400	1
4	Dy. Chief (Law)	14300 – 18300	1
	Dy. Chief (Economics)	14300 – 18300	1
5	Assistant Secretary	10000 – 15200	1
6	Assistant Chief		
	(i) Finance	10000 – 15200	1
	(ii) Engineering	10000 – 15200	1
7	Bench Officer	10000 – 15200	1
8.	Principal Private Secretary	10000 – 15200	2
9	Pay & Accounts Officer	8000 – 13500	1

10	Private Secretary	6500 – 10500	5
11	Personal Assistant	5500 – 9000	1
12	Stenographer Gr-III	4000 – 6000	3
13	Clerk-cum-operator	4000 – 6000	4
14	Cashier/Bill Clerk	4000 – 6000	1
15	Despatch Clerk	3050 – 4590	1
		TOTAL	29

3. PROGRESS

3.1 REGULATIONS :

Joint Electricity Regulatory Commission (M&M) notified the following 8 (eight) numbers of Regulations and these were placed before the State Legislative Assemblies of both the States in the month of March, 2009.

1. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Constitution of State Advisory Committee and its Function) Regulation, 2008.
2. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Conduct of Business) Regulation, 2008
3. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Recruitment, Control and Service Condition of Officers and Staff) Regulation, 2008.
4. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Consumers Grievance Redressal) Regulation, 2008.
5. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Electricity Ombudsman) Regulation, 2008.
6. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Terms and Condition for determination of Tariff) Regulation, 2008.
7. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Electricity Supply Code) Regulation, 2008.
8. Joint Electricity Regulatory Commission for the States of Manipur and Mizoram (Standard of Performance for Distribution and Transmission Licensees) Regulation, 2008.

3.2 INFORMATION TECHNOLOGY

Website for the Commission was hosted in November, 2008. All the notified Regulations and other important notifications were put to the website of the Commission. The website address of the Commission is: www.jerc.mizoram.gov.in.

10 (ten) Personal Computers and 1 (one) Lap top were procured for use by the officers and staff. Telephone connections were installed and internet connectivity was established with two broad band connections from Bharat Sanchar Nigam Ltd. (BSNL). Necessary electronic gadgets required for the office were also provided.

3.3 ESTABLISHMENT OF OFFICE:

The office building is provided by the Government of Mizoram as stipulated, *inter alia* in the Memorandum of Agreement . It has been furnished by the Commission.

3.4 APPOINTMENT OF STAFF:

All the posts under Sl.No 12 to 15 of Clause 2 are to be filled up by direct recruitment. The post of Secretary is to be filled up on deputation while other posts of Officers and that of the remaining Staff are to be filled up either on deputation basis or on short term contract basis. As the recruitment regulations for officers and staff of the Commission were not approved by the Government of India till October, 2008, a request was made to the Government of Mizoram to depute suitable candidates for one post each of Principal Private Secretary and of Private Secretary for a period of one year. A similar request was also made to fill up the post of Pay and Accounts Officer on deputation. In response to our request, Government of Mizoram had deputed officers of appropriate level and accordingly the following posts were filled up during April and May, 2008.

<u>Sl.No.</u>	<u>Name of Post</u>	<u>No. of Post</u>	<u>Date of appointment</u>
1.	Principal Private Secretary	- 1	31.3.2008
2.	Private Secretary	- 1	31.3.2008
3.	Pay & Accounts Officer	- 1	13.5.2008
	Total	- 3	

Advertisement for appointment on deputation for the posts under Sl.No.2-11 of Clause 2 was issued on 12th November, 2008. Similarly, Advertisement was also issued in respect of posts under Sl.No. 12-15 to be filled up on direct recruitment on the same date. Both the Advertisements were widely published and circulated in the States of Manipur and Mizoram including Universities and other Research Institutes. In spite of our sincere effort including personal contact with Chief Secretaries of both the States, the response to our Advertisements was very poor. Two (2) posts namely one Assistant Secretary and one Assistant Chief (Engineering) at Sl.No. 5 & 6 of Clause 2 only could be selected through the Selection Committee which met on 30th March, 2009.

As regards appointment of Group C Staff on direct recruitment under Sl.No. 12-15 of Clause 2, sufficient members of candidates applied from both the States. To ensure equitable distribution of posts between the two States, one (1) Stenographer and two (2) Clerk-cum-Operator were appointed from Manipur and the rest from Mizoram. The following posts were therefore filled up on regular basis in March, 2009.

<u>Sl.No</u>	<u>Name of Posts</u>	<u>- No. of Posts</u>
1.	Stenographer	- 3
2.	Clerk-cum-Operator	- 4
3.	Cashier/Bill Clerk	- 1
4.	Despatch Clerk	- 1
	Total	- 9

Having failed to get suitable candidates for the post of Secretary on deputation, another advertisement was again issued giving wide publicity at the national level vide our Advertisement dated 25th March, 2009. In regard to posts at Sl.No.3-11 of Clause 2, other than the posts of Assistant Secretary and Assistant Chief (Engineering) a similar Advertisement was also issued on the same date as mentioned above.

4. ADVISORY COMMITTEE

The State Advisory Committee of Mizoram consisting of 18 (eighteen) members was constituted vide the Commission's Notification No. A.45012/1/2008-JERC, dt 16th July, 2008. The members were selected out of the recommended list obtained from the State Government of Mizoram. The State Advisory Committee for the State of Manipur consisting of 21 members was also constituted vide Commission's Notification No. A.45012/12/08-JERC/35 dt. 16th January, 2009. The members were also selected out of the recommended list obtained from the State Government of Manipur. Copies of the Notifications are enclosed as Annexure II & III.

5. FINANCE AND ACCOUNTS

Fund for operationalization of the Commission is provided by the Ministry of Power, Government of India as Grant-in-aid. Fund rules are to be framed by the Government of India since Central Government only would be the appropriate Government as per law during the first five years. The Commission therefore, had moved the Ministry of Power for this purpose. The said rules are awaited. In the interim period, the Commission has been furnishing the expenditure Statement of Accounts and Annual Budget Estimates in the formats as prescribed by the Ministry from time to time.

The Commission envisaged to receive revenues by collecting fees for tariff determination of the power utilities of Manipur and Mizoram. Both the states utilities have not filed the tariff application so far. Therefore, there was no revenue for the Commission during the financial year.

The statement of budget allocation and expenditure during the year is as given below:

Rs. in lakhs			
Major Expenditure	Budget Estimate	Expenditure	Saving
Establishment	53.00	23.95	29.05
Medical	52.00	34.28	17.71
Officer Expenses	3.00	0.71	2.29
TE	7.00	4.94	2.06
Miscellaneous	27.60	10.45	17.15
TOTAL	142.00	74.33	68.27

The saving is mainly because of non filling-up of the vacant posts of the Commission and non implementation of the latest Central Pay as per the Report of the Central Sixth Pay Commission.

6. CONSULTATION SERVICES

The Commission availed the services of the Administrative Staff College of India (ASCI), Hyderabad, as its Consultant for all regulatory matters like drafting of regulations etc.

7. MEETINGS

The Commission had organised for meetings with the Power and Electricity Department, Government of Mizoram and Electricity Department, Government of Manipur for discussions on finalization of Supply Code & Standards of Performance Regulations during February, 2009 at Aizawl and Imphal respectively.

The Chairman and Member attended meetings of Forum of Regulators (FOR) and Forum of Indian Regulators (FOIR) and as when convened during the year under report.

8. MISCELLANEOUS

The Commission collected various data of Power Supply System, Generation, Metering, etc. for information and review in future. Some of the important datas of the states are as given below.

1. Power Supply Scenerio (2008 – 2009)

State	Peak Demand (Evening) MW	Maxm. Availability in peak period		Surplus / Deficit (Non-Monsoon)		Source of Power Projects
		Monsoon	Non-Monsoon	MW	Percentage	
Manipur	160	127	80	80	50%	Central Sector Power Projects
Mizoram	65	75	45	20	30%	Central Sector Power Projects

2. Status of Metering :

(a) Consumer (December, 2008)

State	Total No. of Consumer	Consumer with Energy Meter	Consumer without Energy Meter	No. of Defective Meters	Remarks
Manipur	183529	165097	18432	26827	1500 are static

Mizoram	147821	144450	3371	1199	All static
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(b) System Meter (March, 2008)

State	No. of 11KV feeder	With Energy Meter	Without Energy Meter	Remarks
Manipur	296	220	76	All static
Mizoram	136	132	4	All static

Figures of Manipur are inclusive of 33/11 KV transformer Meter

3. Losses (2007 – 2008)

State	T & D (%)	A.T.C (%)
Manipur	60.00	85.90
Mizoram	37.72	43.10

Note : (1) The above figure of Mizoram are derived at by considering into account of the Unscheduled Interchange (UI) transactions in the calculation. The loss figures will be very high without UI.