

**Minutes of the 13<sup>th</sup> Meeting of the State Advisory Committee (SAC)  
Held on 08<sup>th</sup> March, 2019**

Venue : Conference Hall, Power Department Kohima, Nagaland.  
Date : Friday, the 8<sup>th</sup> March, 2019  
List of Participants : Enclosed as Annexure-I

The meeting was chaired by Er. Imlikumzuk Ao, Chairman, Nagaland Electricity Regulatory Commission (NERC). He welcomed the SAC Members, representatives from Department of Power (DPN) and New & Renewable Energy (N&RE) and expressed his wish for a good interaction and a fruitful meeting with definite solutions.

**AGENDA NO: (i). Tariff Proposal for FY 2019-20, APR for FY 2018-19 and True-up for FY 2014-15:**

The Power Department has submitted the revised ARR and Tariff Petition for the FY 2019-20 including True up for the year 2014-15 and Review for the FY 2018-19 for approval.

**a. True-up for FY 2014-15:**

The DPN submitted that the True up for FY 2014-15 were as per the audited accounts and there is an increased in the revenue gap as against the approved figure of Rs. 87.03 Crores in the Tariff Order for FY 2014-15 to Rs. 229.90 Crores.

The matter was discussed in detail and the committee advised the Commission to verify the actual audited accounts from the Department of Power and approve as deemed fit.

**b. Review of ARR for FY 2018-19:**

The Members verified the revised figures in the ARR for FY 2018-19 submitted by the DPN. The revenue gap as per ARR and Tariff for the FY 2018-19 was Rs. 498.02 Crores.

The DPN submitted that the revision in parameters was based on 6 months actual and balance 6 months on estimates. Due to revised figures in the ARR, the revenue gap for FY 2018-19 is shown to be increased. This revenue deficit has not been carried forward as the same has been funded as budgetary support from the Govt. of Nagaland.

The members after deliberation on the review of ARR for FY 2018-19, advised the Commission to further verify the necessary documents with the DPN and approve the revised figures as deemed fit.

**c. Tariff Proposal for FY 2019-20**

The Commission highlighted the DPN Tariff proposal for FY 2019-20 by referring existing tariff and the proposed tariff projected in the tariff petition and informed that some additional data & clarifications on the petition were sought from DPN which are still awaited.

The Committee Members examined the tariff proposal and deliberated upon in detail. The members are of the view that in spite of an increase in tariff every year, the DPN is unable to improve its revenue collection and high T&D losses. As such, an effective measures needs to be initiated by the DPN to improve power supply as well as Revenue collection in the State.

The DPN officials highlighted that, the tariff hike is inevitable due to increase in the power purchase. Further informed that in order to improve the revenue collection, the Department is in the process of installing 22,000 (twenty two thousand) Pre-paid Meters in Dimapur & Kohima under Integrated Power Development Scheme (IPDS) and the department has already introduced online payment of Bill through Tata Consultancy Services (TCS).

The Committee Members deliberated at length on the explanation furnished by the DPN and advised the Commission to determine the Tariff for FY 2019-20 after obtaining necessary clarifications/ documents from DPN.

The committee advised the DPN to take into consideration the followings suggestions towards improvement of Revenue collection and T&D losses:

1. Replacement of all defective Meter.
2. Revival of Anti Power Theft Mobile Squad (APTMS).
3. Replacement of overhead line to underground cable or Aerial Bundled Conductor (ABC) cables.
4. Involvement of Churches and Tribal Hohos for timely payment of electricity bill and use of electricity judiciously.

**AGENDA NO: (ii). Tariff Proposal for setting up 60MW Coal Based Thermal Plant:**

The Commission highlighted that M/s. Fitzroy Energy & Mineral Ltd, Dimapur with EPC Contractor has filed a Tariff Petition to the commission for development of 60 MW coal based thermal plant at Tuli, Mokokchung. In this regard, certain additional data & clarifications on the petition were sought from M/s. Fitzroy Energy & Mineral Ltd, and replies are awaited. The projected average Tariff per unit is Rs 5.65/kwh which is observed to be on the higher side.

The Committee Members advised the Commission to invite all the stakeholders and general public while tariff is determined.

**AGENDA NO: (iii): Promotion of Renewable Energy in Nagaland – A way forward.**

**a. Framing of Renewable Energy Policy.**

The Members deliberated on the issue and advised the NRE department to pursue the matter with the State Govt. for early finalisation of the Renewable Policy which has been already submitted.

**b. Setting up of Grid connected Rooftop System.**

The Commission informed that, once the draft regulation for setting up of grid connected Rooftop Solar PV (RSPV) System is completed, the same will be sent to all the stakeholders for views & comments.

The DPN mentioned that the installation of RSPV in the State will be an additional work for the department as all the energy accounting will have to be done and maintained by the department.

The Members are of the view that the setting up of RSPV System would definitely improve the power sector and also encourage the private investors to invest in the state in this regard. Hence, advised the commission to finalize the regulations at the earliest.

**AGENDA NO: (iv): Review of Minutes of the 12<sup>th</sup> SAC Meeting.**

All the points discussed in the last 12<sup>th</sup> SAC meeting are at the government level and the Commission was advised to pursue with the Government for early implementation.

**Concluding Remarks:**

The Chairperson thanked the SAC Members present and the Departmental officers for the successful & fruitful discussions in the meeting concerning power sector in the state and requested to extend their support & cooperation in the years to come.

*Sd/-*

**W. Y. YANTHAN**

Member Secretary, SAC  
Nagaland Electricity Regulatory  
Commission (NERC), Kohima.