

**Minutes of the 14th Meeting of the State Advisory Committee (SAC)
Held on 19th March, 2020**

Venue : Hotel Japfu, Kohima, Nagaland.
Date : Thrusday, the 19th March, 2020
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 discussion with definite solutions.

AGENDA NO: (i). Filing of Business plan & ARR for 5 years MYT 2nd control period for FY 2020-21 to 2024-25, Tariff proposal for FY 2020-21 and APR for FY 2019-20:

The Committee Members examined in detail the Business plan & ARR for 5 years MYT 2nd control period for FY 2020-21 to 2024-25, Tariff proposal for FY 2020-21 and APR for FY 2019-20 submitted by DPN.

On perusal of the petition, the members found out that the DPN has submitted the Business plan & ARR for FY 2020-21 to 2024-25, Tariff proposal for FY 2020-21 and APR for FY 2019-20 without the true up for FY 2018-19 which is not as per the MYT Regulations, 2016.

Instead of true up for FY 2018-19, the DPN has submitted as actual which is not based on audited account and claimed ARR of Rs. 861.35 Crore.

With regard to Annual Performance Review (APR) for FY 2019-20, DPN has estimated a revised ARR of Rs. 953.72 Crore with a Revenue gap of Rs. 589.35 Crore against the approved ARR of Rs. 618.40 with Revenue gap of Rs. 208.32 Crore.

With regard to tariff proposal for FY 2020-21, DPN has proposed ARR of Rs. 1,102.56 Crore with a revenue gap of Rs. 690.53 Crore. DPN has also proposed an overall increase in tariff by 4.57%.

The Members were of the view that the Commission should not approved the Business plan & ARR for FY 2020-21 to 2024-25 and revise the tariff proposal for FY 2020-21 unless the DPN file the petition along with true up of FY 2018-19.

After through deliberation, the members were of the view that the Commission may determine the present tariff petition as deem fit which can be reviewed based on the final audited reports to be submitted by DPN.

Further, it was also advised that the Commission may not entertain any revision in ARR or hike in tariff from the next financial year i.e. 2021-22 unless the tariff petition is filed along with true-up of the previous year as per the MYT Regulations, 2016.

AGENDA NO: (ii). Representation from AWUM, Mokochung town and Shri. R. Kevichusa, Dimapur.

The Members present thoroughly deliberated on the Minutes of the Public Hearing dated 4th Feb., 2020 and were of the view that the consumers of 18 wards under AWUM, Mokochung are the honest paying consumers who are extending its full cooperation in revenue collection and supporting the Department by controlling the power theft under its jurisdiction. Therefore, the Members advised the Commission to take into consideration their representation and pass appropriate order(s) as deem fit and proper while finalising the Tariff.

The members were also of the view that the issues raised by Shri. R. Kevichusa in his representation dated 11-01-2020 is the prevailing irregularities which exist in the department. Therefore, the members advised the DPN officials present in the meeting to take appropriate measures to control such irregularities in the Department.

AGENDA NO: (iii). Prevalence of High Losses and Low Revenue Collection:

The Members after thorough deliberation were of the view that in spite of enhancing the tariff each financial year; the revenue collection appears no substantial improvement in spite of DPN's best efforts.

The DPN officials appraised the member present that the Technical Losses are due to non-replacement of old Technical parameters in the system and cannot be improved until the Central/State Government provides sufficient fund to replace/upgrade the present technical parameters which is again linked to the performance of the DPN in Revenue collection.

The Members also deliberated on the prevalence of high losses in term of power and revenue and feels that unless it is controlled and checked, the State power supply will be adversely affected with the increase in demand in the years to come. As such, a strong cooperation will be required among all the stakeholders where the State Government and the Consumers are equally responsible.

The Commission is of the view that in order to improve revenue collection and check the rampant power theft, the reviving of Communitisation under VEMB & UEMB is the need of hour. As such Public Awareness Campaigns in the State is required.

AGENDA NO: (iv). Installation of Grid Connected Rooftop Solar System in the State:

The Chairman, NERC appraised the member present that the Commission has framed and notified the RTS Regulations, 2019. For implementation of the said Regulations, the DPN has to frame its own Rules & Procedure, which is yet to be notified by the DPN. He further

appraised the members present that state could not implement the RTS in the First Phase where the subsidy was 70 % for all categories of Consumers. However, the Ministry has introduced the Second Phase of RTS where maximum 40% subsidy is applicable only to Residential Sector.

Further, the Director, N&RE Department, Nagaland present in the Meeting highlighted about the Government of India initiatives for achieving 175GW by 2022 through Renewable Energy (RE) Source i.e. Solar is 100 GW & Non-Solar is 75 GW. Under the said initiative, every state has to either generate or purchase Renewable Energy to achieve its Renewable Purchase Obligation (RPO) set by the Ministry.

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.