

RECORD OF DISCUSSIONS AT THE 3RD MEETING OF THE STATE ADVISORY COMMITTEE SHILLONG

10TH JULY, 2008

(List of members who attended is at Annexure A)

1. The Chairman welcomed members to the 3rd meeting of the State Advisory Committee called for the purpose of obtaining the views of the Committee on the Meghalaya State Electricity Board's proposal for a new tariff for the year 2008-09. (A summary of the proposal was published in newspapers dated 21st June, 2008.)

Before inviting members to participate in the discussion, the Chairman briefed them about the statutory responsibilities of the State Advisory Committee. The salient features of the tariff proposal were also brought to the attention of the members. A specific reference to the proposal of the Me.S.E.B. to limit the supply of electricity to about 1600 MUs during the year was also made. The Chairman was particularly keen to know whether there was justification for restricting supply on the ground that consumers would not be able to bear the additional cost of power required to meet the total estimated demand of 2600 MU.

2. Mr. K.C. Momin, the first member to speak, complained about rampant power theft in Garo Hills. He contended that MeSEB had taken no effective action to stop this practice. He was also critical of the delay in implementing the Ganol River HEP and rural electrification schemes.
3. Mrs. J.E. Shullai observed that while an increase in tariff was necessary, the MeSEB should also improve their performance.
4. Mr. S.K. Lato stressed the importance of reducing T & D losses. He felt that the MeSEB's proposal should be reviewed and certain areas of unjustified cost should be disallowed in the final tariff to be announced by the Commission.
5. Mr. J.B. Poon dealt with some of the issues raised by the Chairman during his briefing. While agreeing that the power scenario in the State was grim, he felt that at this juncture there was no option but to increase the tariff for all categories of consumers. Costs were constantly on the rise and inflation was taking a toll on the operational expenses of the Board. He maintained that, apart from the Me.S.E.B., Civil Society also had an important role to play in detecting cases of power theft. He referred to the awareness campaign mounted by the Commission and felt that this could also be taken to the sub-divisional level. Regarding procurement of additional power from the open market Mr Poon felt that the burden will be too high for consumers in the State. He also referred to transmission bottlenecks standing in the way of drawing power from the grid. Agia-Nangal, Misa-Byrnihat, Sumer-Mawngap, etc., were some of the transmission lines that needed to be commissioned as soon as possible.

6. Mr. Francis K. Mawlot, was critical of unplanned employment in the board. He suggested that the Board be directed to reduce employment cost. Regarding new schemes, he stated that since even the old schemes could not be managed properly, the Board should not be entrusted with any new schemes.
7. Mr. Ramesh Bawri, made no comments on the ARR but insisted that the Commission should ensure that the consumer is spared the impact of the steep increase in tariff proposed by the Board. He felt that the disparity in EHT and HT tariff was not tenable. In his view all industrial tariffs should be uniform. He pointed out that in Annexure IX of the Board's proposal, 76 paise per unit was the cross subsidy to the EHT which he felt was not justified. Regarding the demand charge, Mr. Bawri felt that levying Rs.300 for public services and only Rs.200 and Rs.140 for HT and EHT respectively was not fair.
8. Lt. Col. Ballaney, contended that loss of water from the Umiam reservoir was abnormal. The Board should try to find out why this has occurred and suggested that a study to maximize the collection and retention of run off water during the rainy season be made. He also requested for a special tariff for the MES for which a detailed justification would be forwarded separately.
9. The Chairman thanked the members of the Committee for offering their views. He assured the Committee that their comments and suggestions will be taken into account in the final tariff determination exercise. The Commission would be holding a public hearing sometime towards the end of this month. Members were welcome to the public hearing. He requested members to send any other suggestions and comments that they may have on the ARR and tariff issue to the Commission at the earliest. The Commission would like to announce the new tariff order by the end of August 2008.
10. Before concluding the Chairman announced that the website of the Commission was expected to be inaugurated by the Chairman of the State Planning Board on the 25th of July. While formal invitations will be sent to all members of the State Advisory Committee, members might like to note the date and attend the function.

ANNEXURE-A**MEMBERS PRESENT**

Sl.No.	Names
1.	Lt. Col. Ballaney RN.
2.	Mr. Ramesh Bawri
3.	Mr. F.K. Mawlot
4.	Mr. J.B. Poon.
5.	Mr. S.K. Lato.
6.	Mrs. J.E. Shullai.
7.	Mr.K.C.Momin.