

DISCUSSION PAPER ON LICENSEE FEE

The Electricity Act, 2003 empowers the State Government to prescribe the fee for obtaining a transmission, distribution or trading licence [sections **180(2)(a)** and **15(1)**]. This fee is to be collected by the State Electricity Regulatory Commission who, in turn, is responsible for levying a fee for services rendered by the Commission.

For the present in Meghalaya no licences have been issued for any of the activities listed in the Electricity Act. The Meghalaya State Electricity Board is the sole player and as per the Act enjoys the privilege of being a deemed licensee for both distribution and transmission. The Central Commission as well as other State Commissions have issued regulations laying down the annual fees that all licensees including deemed licensees have to pay. Discussions in the statutorily constituted Forum of Regulators have suggested that Commissions should increasingly endeavour to raise their own resources. Budgetary support from the State Government should, over time, diminish. The credibility of the Commission's regulatory functions depends to a great extent on perceptions and to this end, establishing financial autonomy is important. The Act allows the Commission to levy an annual renewal fee [section **86(1)(g)**]. The questions on which the Commission would like comments/views/suggestions are:-

1. What should be the criteria for determining annual renewal fee? (Separately for distribution, trading and transmission)
2. If linked to output, should the fee be pegged to capacity or actual performance?
3. Should those exempted from obtaining licences also pay fees? [section **14**]

Responses to this paper may be sent (by email) to: mmserc@gmail.com or by post to: **The Secretary, Meghalaya State Electricity Regulatory Commission, New Administrative Building, Lachaumiere, Shillong -793001.**

Depending on the response the Commission will take a view on whether a face-to-face interaction is necessary.