

ANNUAL REPORT

for

the

FINANCIAL YEAR 2005-06



Electricity sector in Tripura, so long was the monopoly of the State Government including finance, administration and policy matter. From a few KW capacity and demand, it has grown up to the present level of operation having its peak demand 180 MW and off peak demand of 60 MW and consumer number touching 3(three) lakhs spreaded over entire State area of 10,491.69 sq. km with hills and valley terrains having patches of plain land surrounded by international border all along the territorial limit barring a goose neck connecting it to North East region. It has nearly 33 lakhs plus population, Four Districts, one Autonomous District Council. Its 95.67% villages and 38% households are electrified so far. The per capita consumption in the State is around 130 kwh which has to go to a national targeted level of 1000 units by 2012. Which is an Himalayan task unless each Citizen participates.

Financial performance of power sector in Tripura has been a matter of concern for the State Government and it had drawn up a plan for restructuring of power sector in Tripura and it has established independent State Electricity Regulatory Commission in line with the Electricity Act, 2003 and National Electricity Policy. Tripura State Electricity Corporation Limited (TSECL) has been constituted and registered as a public limited company vide G.O.No.1 of Power Department and File No.10(326)-CEE/Pt-II/2004(S)/594-654 dated 28th December, 2004, and started functioning from January 1, 2005. Operational control of all assets relating to generation, transmission and distribution and its allied activities is transferred to Tripura State Electricity Corporation Limited (TSECL). As per Electricity Act, TSECL is considered a deemed licensee and it had submitted its tariff petition and annual revenue requirement for the year 2005-06.

This is the first year of Regulatory regime and Corporation also created in the last quarter of financial year 2004-05. In the transition period there are possibilities of some undesirable omission and assumption of base data which through the process of control and check bound to be corrected in position. In the whole process support and assistance of State Government and people's cooperation are essential for creation of enabling environment for power sector development in the State to remove possible difficulties of the people, improve quality service, performance standard, consumers care and overall economy of the State. The Commission appreciates interests shown and expression made by various consumer forums, political parties, and public in general and overall the State Government. Let there be a beginning and process being allowed to continue for achieving the targeted objectives to help in planning and shaping the State Economy.

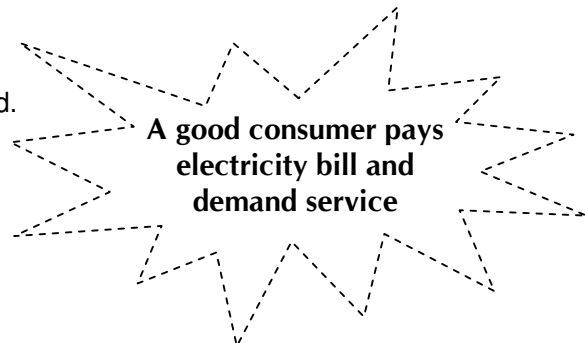
ORGANIZATION – MANPOWER – INFRASTRUCTURE

- Secretary (EE) of the Commission – provided by Power Department
- One Jr. Engineer – provided by Power Department.
- One PS & one Personal Assistant – provided GA(P&T) Department.
- Two numbers of L.D. Clerk – provided by Power Department.

- One Driver – provided by GA(SA) Department.
- Group-D/DRW/Contingent workers – provided by Power Department.

KEY INFORMATION OF POWER SECTOR –

- ✓ APDRP work in progress.
- ✓ Feeder metering almost completed, as requested.
- ✓ Computerized billing cover in urban areas.
- ✓ Very few legal disputes.
- ✓ Grievance Redressal Forum in forms.
- ✓ Open Access Regulation in way.
- ✓ No captive generation in the State.
- ✓ State Govt., Licensee, consumer, Commission are set to reform in better future.



TERC's activities –

(a) Regulations approved and sent for publication

- Conduct of Business Regulation.
- Supply Code Regulation.
- Performance Standard Regulation.
- Tariff Procedure Regulation.
- Miscellaneous Regulation.
- Consultancy Regulation.

An Unit of Electricity saved is an unit of electricity generated.

(b) Regulations to be published –

- Consumer Grievance Redressal Forum & appointment of Ombudsman.
- Grant of Licensing & Terms and condition of licensee
- Assessment & appellate Provision
- Misc. Provisions relating to Petition, fees .
- Intra-state ABT

(c) Forum of Regulators (FOR) constituted by the Govt. of India where all Chairpersons of SERC's are only the members as per provisions of the Electricity Act, 2003 and Forum of Indian Regulators (FOIR) constituted under the Societies Act where all Chairpersons and Members of SERC's are the members of the FOIR. The Chairman, TERC attended the FOR & FOIR meetings.

(d) State Advisory Committee meetings held during the year.

(e) Load taken from Power Finance Corporation, New Delhi amounting Rs. 3.90 lakhs and purchased -

- Computer (Pentium 4) - Two numbers.
- Lap Top Computer - One No.
- Laser Printer - Two Nos.
- Scanner - One No.
- LCD Projector - One No.
- Furniture for Computers - as required.

State Governments provides:

- Manpower infrastructure.
- Fund
- State Level Forum
- District Level Forum.
- A set of Rules as per Section-180

Actual development will start when each house hold has access to electricity.

**FIRST TARIFF ORDER ISSUED
W.E.F. 1ST JULY, 2005**

FINANCE & ACCOUNTS –

The finance and accounts of the TERC are maintained by the TSECL / Power Department, Govt. of Tripura.

**Unauthorized use of electricity is a punishable offence.
Theft / Damage to electrical plant equipment line etc. is
a punishable offence.**

NATIONAL ELECTRICITY POLICY

AIMS & OBJECTS-

- Access to electricity – Available for all households by 2012, Electrification of all villages by 2007.
- Availability of Power – Demand to be fully met by 2012. Energy and peaking shortage to be overcome and spinning reserve to be available.
- Reliability and quality of Power- international standards to be achieved by 2012.
- Per capita consumption of electricity to be increased to over 1000 units by 2012.
- Minimum lifeline consumption of 1 unit / household per day.
- Protection of consumer's interests.

NATIONAL ELECTRICITY POLICY-

- The National Electricity Policy evolved in consultation with the State Government and the Central Electricity Authority as per provisions of Electricity Act, 2003. Advice of the Central Commission sought. Region-wise meeting with State Govt., State Commission and utilities held.
- Interaction with the Ministry of Power and other Stat holders, Industrial Association, Financial Institute, CPSU, REB etc. Consumer Groups held.

NATIONAL ELECTRICITY PLAN-

As per provision of the Act, National Electricity Plan to be framed by CEA once in five years and revise the same from time to time in accordance with NEP. Accordingly, CEA prepared the plan indicating the following –

- Short-term and long-term demand forecast for different regions.
- Suggested areas / locations for capacity additions.
- Integration of such possible locations with transmission system and development national grid.
- Different technologies available for efficient generation and transmission.

THE NATIONAL ELECTRICITY POLICY IS TO ADDRESS THE FOLLOWING ISSUES-

- Generation
- Transmission
- Distribution
- Rural Electrification
- Technology Development and research and development.
- Trading and market development.
- Private sector participation.
- Energy conservation
- Training and Human Resource Development.
- Cogeneration and renewable and Non-conventional Energy Sources
- Consumer Protection and Dispute Resolution.

THE ABOVE REQUIRES COORDINATED DEVELOPMENT AND ENVISAGE THE FOLLOWING IN-

- Reorganization – Relocate to address issues effecting power sector and to work truly in commercial principle, with human face.
- Regulation through a regulatory frame work.
- Infusion of accounting and accountability.
- Introduction of completion.
- Option for privatization.

REGULATION THROUGH ACCORDED FRAMEWORK-

- Electricity Act, 2003.
- Flexibility legislation from work freedom to consumers.
- Awareness campaign for quality of life.

Skewed investment-

- Title towards generation
- Low investment in TCD
- Energy audit.

FINANCIAL ISSUES-

Tariff-

- High degree of Gross subsidy.
- Lack of will to implement.
- Absence of MYT.

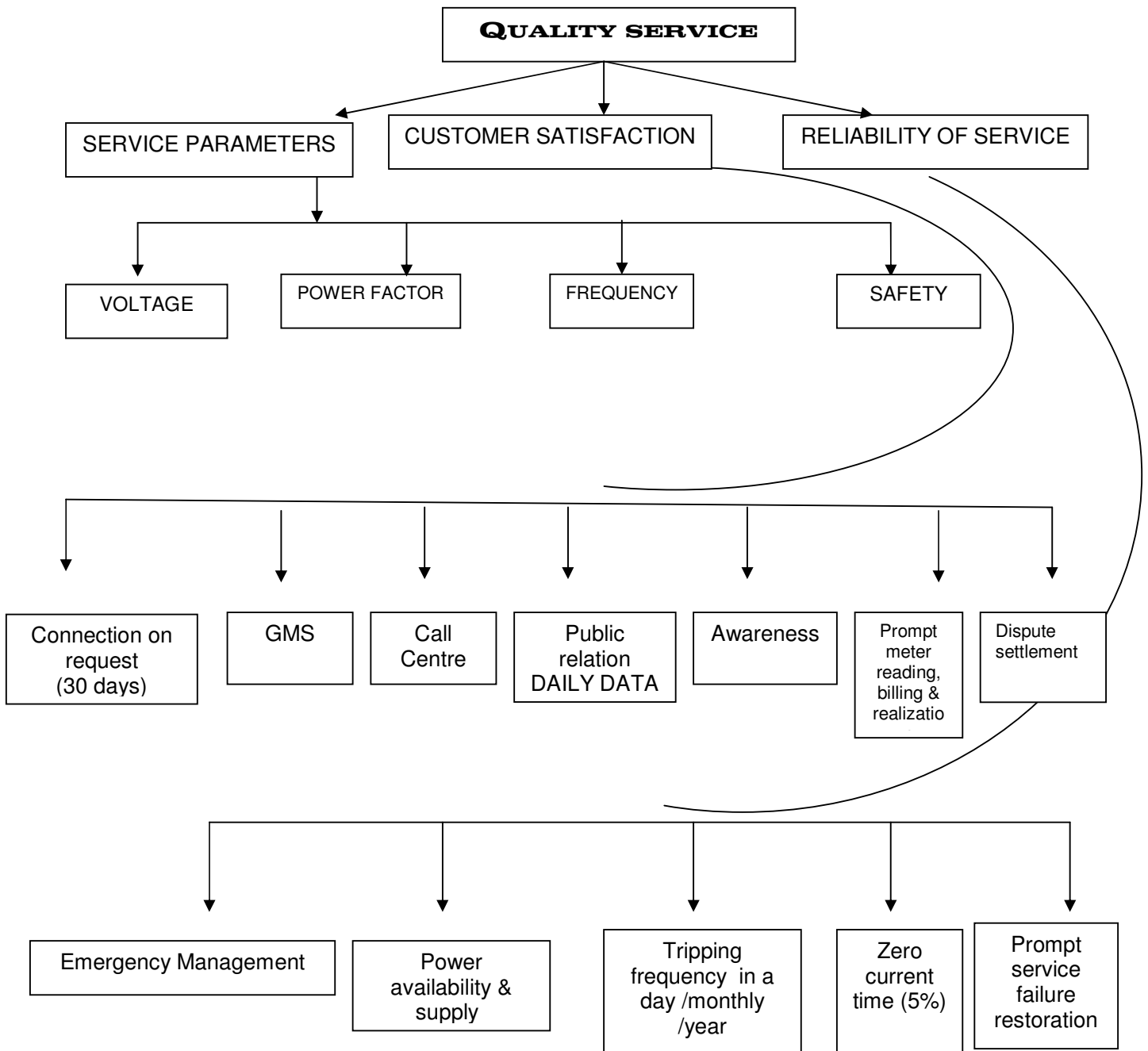
Metering –

- Inaccurate
- Invalid meter

- Inadequate billing and collection
- Structural frame work
- Commercial loss (widening of gap between cost of supply and average revenue).

TECHNICAL VIABILITIES ISSUES-

- Operational efficiency (AF/PLP)
- Renovation and modernization.
- High ATC loss.
- Dominance of thermal generation (In hurry to add capacity at low investment).
- Adequate transmission and transmission system.
- National grid with redundancy for Inter-regional Power flow, unrestricted.



POWER FOR ALL - BY 2012