Executive Summary

1. Financial Restructuring Plan (FRP)

Back Ground

For the past few years, MeSEB has been facing financial crunch. In the past two years the Board due to certain initiatives taken, it has earned a temporary reprieve in FY 2003-04 but the surplus generated has been due to prior period credits accounted for in 2003-04. Profit & Loss Account audited figures for 2004-05 also show a small profit.

Financial stringency has been caused by the interplay of a number of factors such as: (based on 2004-05 audited financial figures)

- Inadequate tariff (Rs. 2.19 average) to recover the cost of supply of power
- Non-remunerative investments in rural electrification schemes to serve the social obligations of the State Government
- Inefficient operations of the Board that are reflected by high T&D losses 25.97% (P.Y.25.00%) and AT&C losses 32.90% (P.Y.33.97%) and the lower plant availability factor (PAF) of its generating stations
- Need for system up gradation, to augment PAF & to reduce O&M expenditure
- Non-recovery of dues from neighbouring states as high as Rs.162.01 Crores (P.Y. Rs.158.17 Crores) including DPC similar to previous year (P.Y. Rs. 95.73 Crores) against an annual turnover of Rs.259.12 (P.Y.Rs.207.55 Crores)
- Billing and collection efficiency within the State
- Un-recovered subsidies
- High cost of borrowing 12.21% (P.Y. 17.77% average cost of borrowing)
- Lack of own generation to meet demand within the State and consequential purchase of power from outside the State at a much higher cost per unit including the cost of administration and others and the direct cost of purchase at Rs.1.75 per unit (P.Y. Rs. 1.76) than the average tariff recovery rate of Rs.2.19 per unit (P.Y. Rs. 1.97)

All these factors have combined to create a severe ‘liquidity crunch’ in the past which resulted in and may result in future too:

- Default in payment obligations to its lenders like REC, LIC and the State Government besides the trade creditors and therefore MeSEB has had to resort to reschedulement of these loans
- Reducing investments despite the huge hydro/thermal potential in the State
- Non-augmentation of Transmission and Distribution network
- Incurring non-matching expenditure on its R&M and O&M and
- Reduction in investments on computerization to improve the billing and collection efficiency and also investments in other Assets

Initiatives Taken

To overcome the above situation, the Board has taken the following initiatives in the recent past:

- Successful swapping of high cost loans
- Beneficial one time settlement of outstanding dues
- Rationalisation of Tariff
- Better recovery rates from Industrial consumers
- Reduction in AT&C losses
- Initiatives to augment the installed capacity by 70% of the present installed capacity.
- Prospective plans drawn up for significant increase in installed capacity by 2012.
- Recovery of old outstanding dues from Assam

Fact sheet of the Meghalaya Power Sector

Parameters	As on 31.3.2005
Restricted Peak demand	192 MW
Unrestricted Peak demand	260MW
Energy shortages	817.4MUs
Peak shortages	68MW
T&D Losses	25.97%
Collection inefficiency	1.50%

A broad review of the historical financial statements of MeSEB shows that the board has been partially meeting its cash flow needs by

- Deferring its payment obligations to its suppliers and lenders and
- By curtailing expenditure on new capital investments

This position has improved since 2004-05 and is further improving. In the past the defaults to lenders have resulted in the inability of MeSEB to raise the desired level of additional resources for financing its investment requirements and the Board has become increasingly dependent on the subsidies from the state government. Due to non-availability of adequate funds in cash, operational efficiency and performance has also been adversely affected.

An attempt has been made by the Board to initiate streamlining functions so as to improve the overall efficiency of operations; however it is quite clear that a structured solution to the various problems plaguing the Board is the only way forward. The proposal to formulate a suitable FRP is a step in this direction.

Reform Programme

In order to improve the financial position of the board, MeSEB and the GoMe have embarked upon a comprehensive reform process with the following **key objectives:**

- Ensure long term financial viability of the new entity
- Improve the reliability and quality of power supply
- State Government's role only in broad policy directives.

Financial planning is a crucial part of the reform process. Therefore financial projections for MeSEB were developed based on some assumptions and also derived from opening Balance Sheet of MeSEB as on 31.03.2005. The important assumptions used in the Financial Projections are stated below:

- Energy input into the system to increase by 2202 MUs till 2012 from 1316 MUs in 2005
- Sales to increase by 1713 MUs till 2012 from 1031 MUs in 2005.
- AT&C (Aggregate technical & Commercial losses) to reduce from 32.90% in 2005 to 25.90% in 2012)

- Technical losses assumed to reduce from 25.00% in 2005 to 20.80% till 2012
- Commercial losses projected to reduce from 6% in 2005 to 3.9% till 2012
- Collection efficiency to increase from 98.10% in 2005 to 98.80% till 2012
- Capital investments of around Rs.9512 cores assumed in the system till 2012
    - Generation -- Rs. 7572 Crores
    - Transmission -- Rs. 700 Crores
    - Distribution -- Rs. 1240 Crores
- Total sales in units to increase by 131 % from 2006 to 2012 and 10 % in rate of power sold each year for various categories of Consumers on the basis of the Consumer-mix in the year 2005. FRP has considered category wise tariff estimation which is highly sensitive and subjective in nature. The year wise positive impact on tariff comes out to be as below:

Year	FY 06	FY07	FY08	FY09	FY10	FY11	FY12
+ve Impact	10%	10%	10%	10%	10%	10%	10%

- Interest rate on new loans assumed at 8.75% p.a.
- Increase in load requirement @ 15 % p.a.

<u>Approval sought from GoMe</u>

If accepted by GoMe, the cash deficit of Rs. 345236 lacs (between 2006-2012) is to be financed by GoMe by either self or through policy loans etc. as may be possible.

- **All support from GoMe except tariff subsidy assumed to be in the form of equity.**
- **Outstanding amount of REC loan rescheduled/paid off and transferred to GoMe and to be treated as equity from GoMe in MeSEB books**
- **Bonds outstanding as on 31.03.2005 amounting to Rs.52 Crores are to be taken over by the State Government. The interest liability has been cleared up to 31.03.2005.**

- **The outstanding dues on account of Tariff subsidies of Rs.125.58 Crores (as on 31.3.2005) receivable from GoMe to be paid by GoMe in cash. Considered as received from GoMe by adjusting the future Electricity Duty from the F.Y. 2005-06 till 2011-12 and the balance is considered as received on year-to-year basis in cash during this period of FRP.**
- **Recovery of inter-state dues and other old outstandings to be paid by GoMe to MeSEB, as the recoveries are not coming forth from Assam and other states. Considered in projections as received Rs.115 Crores in two years i.e. 2006 & 2007. The first installment is already received during the current year.**
- **The dues on account of retirement benefits to the retired employees of MeSEB and the future retirement benefit liabilities to be funded by a trust to be created for the purpose and existing investments in this regard, if any to be transferred to this trust.**
- **The present liability on account of retirement benefits is taken as provided by MeSEB without any actuarial valuation for the same.**

The financial projections developed provide a grim view of the financial health of MeSEB and highlight the need for ***a significant amount of financial support from GoMe***. Therefore with the objective to chart a course for the gradual transformation of the finances of the sector from today's negative position, to one of full financial viability where the sector is no longer reliant on state support, a Financial Restructuring Plan (FRP) has been prepared. The following benefits are likely to accrue once the proposed FRP is implemented:

1. MeSEB will be able to meet its energy requirement of the state by the year 2015
2. MeSEB is likely to meet-
   (i) All expenses excluding depreciation by the year 2010-11
   (ii) All expenses including depreciation by the year 2011-12
3. MeSEB will turnaround by the year 2011-12
4. After the transition period upto 2010-11, MeSEB is likely to become a net revenue earner for the state/GoMe
5. MeSEB will be a net revenue earner of Rs 2.27 Crores during the year 2011-12
6. MeSEB would be in a position to pay dividend to GoMe after the year 2011-12.

The targeted turnaround can be achieved provided GoMe extends full support to the Board by agreeing and committing to the following proposals contained in the FRP:

1. Cash support of Rs.3452 Crores for the planned future capital expenditure and operational deficit of MeSEB in the form of equity till 2012
2. Electricity duty outstanding as on March 2005 due to GoMe has been shown as adjusted against their outstanding and accordingly considered in the cash flow. Future Electricity duty is shown as recovered and adjusted at Re. 0.05 per unit (as per MeSEB) against such outstanding dues of GoMe from the F.Y.2005-06 till 2011-12 and the balance is shown as recovered in cash on year to year basis over the period of FRP.
3. Take over of the contingent liabilities of MeSEB (estimated to around Rs 2 Crores on 31.03.2005) and consider them as equity in the books of MeSEB as and when they devolve and
4. **Pay outstanding bills and payments including old outstanding tariff subsidies of GoMe Departments/Local Bodies in total or in phased manner as may be decided by GoMe. All such future bills and dues have to be paid in cash each month on time by GoMe.**

It can, therefore, be inferred that by agreeing to the FRP proposals in absolute terms, the GoMe would be committing to a total cash outflow of approximately Rs. 3452 Crores in addition to point no 3 and 4 above. This, however, is based on and is subject to the various assumptions on which the financial projections are made.

If the measures outlined in the FRP are not agreed to, then the possible implications would be: -

- In case of no cash support from GoMe, the average tariff hike required in the first year itself would be as high as 58% (average rate at Rs.3.45 in place of Rs. 2.40 in the year 2006). The entire tariff hike would have to be borne by domestic and Industrial consumers which may not be sustainable
- Further deepening of financial health.

- MeSEB would not be able to wipe –off the overdue liabilities and default on capital liabilities
- MeSEB/Successor entity creditworthiness would go down.
- MeSEB would be unable to attract needed investments worsening the situation
- Hindrance in strengthening/improving the T&D system resulting in non-provision of quality and reliable power supply
- Inadequate investment in the billing and collection system will further aggravate the situation by resulting in continuous increase in AT&C losses
- Inability to pay the outstanding retirement benefit liabilities will result in poor employee morale of the existing employees and may lead to unrest thereby affecting the overall performance of the Board
- Tariff hike without perceived increase in quality and reliability of power supply is likely to severely criticized by the consumers
- Adverse effect on the State Economy by way of insufficient industrial and commercial growth resulting in lower tax growth and employment opportunities.

FRP is a part of the continuous process of reform in the power sector and its creation is not an end in itself but the means to achieve the overall objectives of development.

2. Roadmap for Reform

The following steps are to be taken by MeSEB and GoMe:

1. Formation of a ‘Corporation’ with three strategic business units viz. Generation SBU, Transmission SBU and Distribution SBU.
2. Notification of Transfer scheme for transfer of assets, liabilities and manpower.
3. Creation of Regulatory affairs cell.
4. Operationalisation of MeERC.

3. Organisation and HR Issues

MeSEB had decided to form a single Corporation and the Consultants were advised to accordingly study and suggest organization structure, manpower balancing etc. for the new Corporation. Accordingly the Consultants viz. PFC sent detailed Inception Report to MeSEB. PFC made presentation to the Chairman & Members of MeSEB and the comments were incorporated in the Revised Inception Report, which was submitted to MeSEB. After a series of discussions on the Revised Inception Report with Officers of MeSEB, the consultants submitted the Draft Report during July 2005. The consultants made presentations on the Draft Report to MeSEB and after series of meetings with the Officers again, the views of MeSEB Officers were obtained and incorporated in the Final Report.

Chairman and Managing Director will head the Corporation. There will be four full time Directors and two Government nominated Directors.

The board of directors will consist of the following full time directors.

1. Chairman & Managing Director
2. Director (Technical)
3. Director (Generation Projects)
4. Director (Finance & Accounts)
5. Director (Corporate Affairs)

In order to have the benefit of the experience of the employees of MeSEB, in the New Entity the superannuation age of CMD and full time directors is proposed to be 65 years while for other employees 60 years.

Besides, there will be two Government nominated Directors from:

1. Power Department of Govt. of Meghalaya
2. Finance Department of Govt. of Meghalaya

Further in the New Entity it is proposed:

- Director (Technical) will be the head of Generation, Transmission, Distribution & Rural Electrification. Thus, the activities will be integrated at the level of Director (Technical).

- Director (Generation Projects) will be the head of civil wing and construction of generation projects.

- Director (Finance & Accounts) will look after financial wing of the Corporation.

- Director (Corporate Affairs) will be responsible for managing all coordination activity of administrative set up of the Corporation. He will also control legal, security, HRD including school education and medical sections of the new Corporation.

Director (Technical) will exercise functional and administrative control over the following major functions through the following Chief General Managers:

1. Chief General Manager (Generation)
2. Chief General Manager (Transmission)
3. Chief General Manager (Distribution)
4. Chief General Manager (Rural Electrification)
5. Chief General Manager (Commercial)

Apart from the above CGMs, following SGMs will be under direct control of Director (Technical):

- Senior General Manager (HQ), who will manage all Technical and Administrative work of headquarters.
- Senior General Manager (Corporate Planning)

Further, the following General Managers (GMs) will also be under the direct control of Director (Technical).

- General Manager (State Load Dispatch Centre)
- General Manager (Commercial)

GM (Materials Management) will be attached to Chief General Manager (Distribution). AGM (Stores) each for Generation, Transmission & Distribution wing will be attached to GM (M/M) who will be responsible for all documentation on procurement, receipt, issue and utilization report of materials of the concerned wing. He will maintain material demand note and utilization feedback to GM (M/M) and report to the concerned CGM.

The Chief General Manager (Generation) will be the head of Generation sector. All operation & maintenance, he will look after routine construction, renovation and modernization works including planning of generation works. He will control the following General Managers:

1) General Manager (Generation).
2) General Manager (Planning & Materials Management) for Generation.

General Manager (Generation) will look after all operation & maintenance works, R&M works of generating stations including O&M related construction works.

General Manager (Pl +MM) will control the DGMs of planning divisions engaged in planning works of generation sector.

As the present system of material procurement will continue till the date of unbundling, posting of DGM material Management of generation sector will be kept pending till such time.

As there a massive developmental programme in Transmission system, infrastructure growth is also to be matched. In Transmission an additional field circle with one transmission division at Byrnihat is suggested. The headquarters of the new circle will be at Byrnihat and new (T&T) division also will be at Byrnihat. Another system protection division is proposed to be created for Garo hills as suggested by the Member (Tech). GM (T&T) Shillong will control (T&T) divisions at Shillong and Umiam.

GM (T&T) circle Byrnihat will control (T&T) divisions at Byrnihat & Tura and SPM Division at Tura.

The new (T&T) Circle will monitor O&M works as well as construction work of proposed Misa Byrnihat 220KV Line & Substation at Agia – Nangwalbibra 132KV Line.

As decided in the meeting with the Members of MeSEB at Shillong, under Chief General Manager (Transmission) a new Transmission Circle will be created at Byrnihat along with one Transmission Division and one Sub Division to look after new lines & Substation at Byrnihat Area.

At Tura a new system protection division along with one MRT sub division has been proposed.

Proposed General manager (Transmission) at Byrnihat will control Byrnihat (Transmission Division (newly proposed), Tura (T&T Division) and system protection Division at Tura. For the time being T&T Division Tura will be under Trasmission Circle-1. In the proposed system there will be three circles under the Chief General Manager (Transmission). These are

1. General Manager (T&T), Shillong
2. General Manager (T&T), Byrnihat (Proposed)
3. General Manager (Planning & Material Management)

At present creation of stores section under GM (Pl & MM) will be kept pending. On final bifurcation, DGM (M/M) for transmission will be placed.

As the organization is implementing APDRP Schemes, in accordance with APDRP proposals, there will be 6 APDRP circles under distribution sector. There will be 4 APDRP circles in Eastern Zone and 2 APDRP Circles in Western Zone.

The following circles are under Eastern Zone.

1. Shillong APDRP Circle, Shillong
2. Jowai & Jaintia Hills APDRP circle, Jowai
3. Central APDRP Circle, Shillong
4. Western APDRP Circle, Umiam

The following APDRP Circles are in Western Zone.

1. Tura APDRP Circle, Tura
2. Garo Hills APDRP Circle, William Nagar

Senior General Manager of each Zone will coordinate and monitor the progress of work under CEO’s of APDRP circles under them.

In the present organogram, SE(Rev) Garo Hills will be converted as GM/ CEO, Tura APDRP circle. Similarly EE(Rev), Tura will be renamed as EE(South Garo Hills Division) or DGM (South Garo Hills, Bagmara).

Three Revenue sub divisions at Garo Hills will look after revenue activity. The details are as follows:

AGM (Rev), Tura will be under the control of DGM Tura & look after revenue collection activity of Tura Distribution Division. AGM (Rev), Phoolbari revenue sub division will look after all revenue collection and assessment activity of all subdivisions under DGM, West Garo Hills at Tura. Similarly AGM (Revenue) William Nagar will look after revenue collection of all divisions under CEO, William Nagar

Under the APDRP proposal, revenue wing has been reorganized and one Revenue Division will be attached to each APDRP circle for Khasi Jaintia Hills District.
1. Shillong APDRP Circle
2. Jawai & Jaintia Hills APDRP Circle
3. Central APDRP Circle
4. Western APDRP Circle

By adjustment of Revenue Division, the Revenue Circle Shillong will be free. SE (Rev.) Shillong will be renamed as SE Design Division and will be placed under Senior Manager (Planning & Design) under the corporate planning cell attached to Director (Technical). Out of 6 nos. of AEEs MTI and Vigilance, 4 nos. will be attached to CEO, in 4 APDRP Circle in Khasi & Jantia Hills Districts. The remaining one will be placed under the direct control of SGM Western Zone who will coordinate and monitor activities of CEOs in 2 APDRP Circles in Garo Hills Districts.

There will be one (Vig+MTI) sub division for each APDRP Circles in Garo Hills. One new(Vig +MTI) sub division is to be created for Garo hills APDRP Circle, Williamnagar and existing(VIG+MTI) sub division will be attached to Tura APDRP Circle.

The remaining AEE will be renamed as AEE (Rev) and placed as AEE (Rev.), in West Khasi Hills, Nongstoin. The EE (Vig) will be EE, Central Rev. Division Shillong.

Under SGM (Western Zone), Tura there are two APDRP Circles, who will coordinate and monitor the activities of two CEOs viz., CEO, Tura APDRP Circle, and CEO , Garo Hills APDRP Circles, William Nagar.

Revenue affairs of Tura APDRP Circle will be looked after by Revenue sub division Tura and Revenue Sub Division Phoolbari.

Tura RSD will be under DGM Tura Distribution Division and Phoolbari RSD will be under DGM West Garo Hills Distribution division.

In Garo Hills APDRP Circle, only William Nagar Revenue Sub Division will manage revenue matters of the circle and it will be under direct control of GM/ CEO, Garo Hills APDRP Circle.

Revenue division Tura will be renamed as south Garo Hills Distribution division with its Head Quarters at Bagmara.

The revenue circle Tura will be renamed as Tura Distribution Circle and ultimately Tura APDRP Circle, Tura .SE (Rev), Tura will be GM / CEO Tura APDRP Circle, Tura.

SE (Com) along with EE (MIS) and EE (MTI) will be attached to Member Technical (Director – Technical).

GM (M/M) will be with CGM (Distribution) and look after Materials management activity of the Corporation. However till unbundling one AGM for each transmission & Generation procurement / stores will be attached to GM (MM). They will keep records of store procured and utilized for concerned wing that will minimize time for smooth bifurcation of stores at the time of unbundling. Till the date of bifurcation, materials for all the wings will be procured by the GM (Material Management)

The Chief General Manager (Commercial) will be responsible for all commercial activities of the Corporation including tariff related jobs. Due to creation of state regulatory commission, additional tariff related jobs are to be attended by a senior level officer who will handle all correspondence on reforms and preparation of papers on submission of petition to the regulatory commission on prescribed forms. The Corporation shall have to file petitions in the formats prescribed by the commission for determination of ARR/Tariffs. To furnish replies to queries by the commission, furnish objection / suggestions received in the public and also to take steps to implement the tariff issued by the commission. The Chief General Manager commercial will head the commercial activity exclusively related to "Regulatory Affairs Cell".

In the legal cell, two GMs will be posted under Sr. General Manager (Legal):

1. GM (Legal)
2. GM (Contracts)

In the HRD wing, under Sr. General Manager (HRD & QM) two GMs are proposed.

1. GM (Training)
2. GM (Quality Management)

Chief General Manager (HRD) will manage the recruitment and placement under the guidance of Director (Corporate Affairs)

Chief General Manager (Vigilance) will be administratively with Director (Corporate Affairs) but he will report directly to the CMD for all functional purposes.

In the area of 'Security', new posts have been proposed to reorganize the security. One post of GM (Estates) is now proposed under Director (Corporate Planning). This post is created as suggested by MeSEB in a meeting held in March'05. The prime responsibility of GM (Estates) will be maintenance of assets of the Corporation at different locations.

In the recruitment and placement wing, no officer is proposed to be posted below the rank of DGM. This is to maintain secrecy within the wing.

The re-designations of all officers are enclosed.

Under Director (Generation Project), a proposed organogram for future project execution cell under SGM (Execution) is also shown.

A post of Company Secretary has been created. The Company Secretary will look after all company affairs. Further, the CS will report to CMD

As regards manpower assessment and redeployment, a proposal has been prepared and is placed separately.

To accommodate excess manpower a new development circle in civil wing has been created for developmental activity in the State. Based on the performance standards, manpower placement is calculated and proposed. All civil engineering cadres have been brought under the under the control of Director (Generation projects). Further, the number of office and field staff is proposed based on workload calculations.

Though immediately unbundling will not be done, one post of Senior General Manager (Finance & Accounts) is created and attached to each Chief General Manager of Generation, Transmission & Distribution wing under Director (Technical) for separate documentation of accounts and keeping future provision for unbundling.

Moreover for project work in Rural Electrification wing, one General Manager (Finance) is attached who will maintain separate accounts of Rural Electrification construction work.

For civil works and generation project work, a separate Senior General Manager (Finance & Accounts) will be attached to the Director (Generation Project) who will keep separate account for works under Director (Generation Project).)

The eligibility criteria and responsibility of Board level and below Board Level officials has been formulated.

The manpower calculation has been based on records (as on 30.06.05) and total manpower (regular and permanent) is found to be 3746 nos., which includes the manpower under all Directors.

The total manpower of the Corporation under Director (Technical), Director (Generation Projects), Director (Finance), Director (Corporate Affairs) and Company Secretary is shown in the table below:

Existing		
Member Technical	-	2806
Member (Hydro)	-	569
Member (Finance)	-	82
Member (Secretary)	-	289
Company Secretary	-	0
Total	**-**	**3746**

(Proposed)		
Director Technical	-	2809
Director (Gen. Proj)	-	609
Director (Finance)	-	77
Director (Corporate Affairs)	-	282
Company Secretary	-	6
Total	**-**	**3783**

In the present system, Accounts officials are attached to other directorates but their performance monitoring, posting, promotion etc. are directly controlled by Director (Finance). The existing or proposed strength of accounts staff is shown as below:

Existing - Under		
Member Technical	-	71
Member Hydro	-	29
Member (Finance/Account)	-	82
Member Secretary	-	0
	Total =	182

Proposed - Under		
Director (Tech)	-	82
Director (Gen Project)	-	42
Director (Finance)	-	77
Director (Corporate Affairs)	-	3
	Total =	204

If the Accounts staff of the Corporation are placed under Director (Finance), revised position of total man power will be as follows:

Existing		
Member Technical	-	2735
Member Hydro	-	540
Member (Finance)	-	182
Member Secretary	-	289
Company Secretary	-	0
	Total =	**3746**

Proposed		
Director (Tech)	-	2727
Director (Gen Project)	-	567
Director (Finance)	-	204
Director (Corporate Affairs)	-	279
Company Secretary	-	6
	Total =	**3783**

There will be an increase of 3783 – 3746 = 37 nos. of manpower, which is 37/3746 = .0097 or 0.97% less than 1% of total strengh.

4. Creation of 'Regulatory Affairs Cell'

In the process of power sector reforms in the State of Meghalaya under the provisions of Electricity Act, 2003, the State Electricity Regulatory Commission has already been established which is expected to be made functional shortly after the appointment/joining of Chairman.

1. The next step towards achieving reforms is the determination of ARR/Tariffs by the Commission, for which the Board has to furnish the petition to the Commission in the formats prescribed. The State Government is simultaneously required to take steps for reorganisation of the Board by corporatising it.
2. The proposed new entity need not require any license from the Commission under the provision of Electricity Act, 2003 as it would be a successor entity to the MeSEB carrying out the existing business of Generation, Transmission & Distribution.
3. The above work shall have the following responsibilities:

To collect data from different wings of the Board including the Finance and Accounts wing, in the formats prescribed by the Commission for filing petition by the Board with the help of consultants for determination of ARR/Tariffs, which for all practical consideration, shall be for the FY 2006-07. The Board shall also be required to furnish replies to the queries by the Commission, have technical and other sessions with the Commission, furnish comments on the objection /suggestions received in the public hearings and also to take steps to implement the Tariff Order issued by the Commission. Timely steps shall be required to be taken by the Board to develop computer programming to implement the tariff order in the time limit prescribed by the Commission.

4. To cope up with the above work, an exclusive 'Regulatory Affairs Cell' shall have to be created , headed by a senior officer of the rank of Chief Engineer.

The officers in the suggested organization shall be responsible to do the assigned jobs. The officers of the level of the Executive Engineer and Assistant Engineer shall not only work independently under the guidance of senior officer but shall also assist each other, so that in case of absence of one officer, the other colleague may do the additional job in order to avoid creation of any vacuum. The officers of the level of EE and AE should have good computer proficiency, particularly in preparing dynamic models. Other senior officers of the ranks of SE and above should also have basic computer knowledge. EE and AE level officers shall have only one steno/computer typist. The suggested organizational setup may be assisted by only four clerks to keep office record and put up files.

5. The Chief Engineer (Head of the cell) shall coordinate with heads of different wings of the Board for collection of data/information and compile them in the cell. The CE shall, however, be directly reporting to Member (transmission & distribution). In case of any difficulty in obtaining information even from the Heads of different wings, the Member (T & D) shall coordinate with the Members of the other wings of the Board who shall ensure that the required data/information is furnished to the cell. The Chief Engineer shall be the 'Contact Officer' for the State Government and the Commission.