



## **SIXTEENTH ANNUAL REPORT**

**FY 2022-23**

**As mandated under Section 105 of the Electricity Act 2003**

NEW ADMINISTRATIVE BUILDING, 1ST FLOOR, LEFT WING,  
LOWER LACHUMIERE, SHILLONG – 793001

Website: [www.mserc.gov.in](http://www.mserc.gov.in) & e-mail: [mmserc@gmail.com](mailto:mmserc@gmail.com)

Phone: 0364/2500142, 2500144

# CONTENTS

1.	INTRODUCTION .....	2
2.	THE COMMISSION.....	2
3.	MISSION OF THE COMMISSION .....	3
4.	FUNCTIONS OF THE COMMISSION .....	3
5	CHAIRPERSON .....	4
6	MEMBER .....	4
7	CONSULTATIVE BODIES .....	5
8	HUMAN RESOURCE. ....	5
9	OFFICE ACCOMODATION .....	6
10	LAN& WEBSITE: .....	6
11	REGULATIONS.....	6
12	ORDERS .....	7
13	STATE ADVISORY COMMITTEE .....	9
14	CONSUMER GRIEVANCE REDRESSAL FORUM .....	11
15	OMBUDSMAN .....	13
16	FINANCIAL RESOURCES .....	14
17	REGULATORY PROCEDURES .....	14
18	PROCEDURE FOR REGULATIONS .....	14
19	PROCEDURE FOR ORDERS ON PETITIONS.....	15
20	PROCESS AND PRINCIPLES OF TARIFF DETERMINATION .....	15
21	DIRECTIVES: .....	16
21.1	Directives for MePGCL.....	16
21.2	Directives for MePTCL. ....	19
21.3	Directives for MePDCL.....	22
22	FINANCIAL DISCIPLINE .....	35
23	AUDIT REPORT .....	35
24	CONCLUSION .....	35
	ANNEXURE - A.....	36
	ANNEXURE – B .....	41

# **ANNUAL REPORT**

## **Financial Year 2022-23**

### **1. INTRODUCTION**

The Meghalaya State Electricity Regulatory Commission which was notified by the Government of Meghalaya under the provisions of Section 82 of the Electricity Act 2003 on 26<sup>th</sup> March 2004 became functional on 6<sup>th</sup> of June, 2006 on which date the first Chairperson, assumed charge.

Since the time it was set up, the Commission has always endeavoured to set up a fair, transparent and objective electricity regulatory process in the state of Meghalaya. As mandated by law, the Fifteenth Annual Report relating to the financial year 2021-22 was placed on the Table of the Meghalaya Legislative Assembly on the 21<sup>st</sup> March 2023. This is the Sixteenth Annual Report prepared by the Commission and it relates to the financial year 2022-23.

### **2. THE COMMISSION**

- (a) The Commission was constituted under the provision of the Electricity Act 2003, and is a quasi- judicial body having perpetual succession and common seal with power to acquire, hold and dispose of property both movable and immovable.

Initially, beginning 6<sup>th</sup> June 2006 this Commission was a one member Commission. In recognition of the need for multi-disciplinary approach while addressing issues related to independent regulation. The law prescribes that the Chairman shall be person of ability, integrity and standing who has adequate knowledge of, and who shown capacity in dealing with problems relating to engineering, finance commerce, economics, law or management. The Chairman is appointed by the Government of Meghalaya from a panel recommended by Selection Committee constituted as prescribed under the statute. The statute also provides for the appointment of a Secretary to the Commission whose powers and duties are defined by the Commission.

- (b) Notification No. POWER-110/97/Pt.II/125 dated the 5<sup>th</sup> November, 2018, in partial modification to this Department's notification PE.110/97/580, dated 26.03.2004, the Governor of Meghalaya is pleased to change the Meghalaya State Electricity Regulatory Commission (MSERC) into a Two Member Commission, with one member being person of law with requisite qualification prescribed.

### **3. MISSION OF THE COMMISSION**

The mission of the Commission is to:

- 3.1 Promote reforms in the electricity sector;
- 3.2 Encourage transparency, competition and economy;
- 3.3 Regulate the power purchase and procurement process of the distribution utilities.
- 3.4 Secure the legitimate interests of all stakeholders including the consumers.

### **4. FUNCTIONS OF THE COMMISSION**

The Commission is vested with the responsibility of discharging the following statutory functions:

- 4.1 determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be within the State;
- 4.2 regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- 4.3 facilitate intra-State transmission and wheeling of electricity;
- 4.4 issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- 4.5 promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of distribution licensee;
- 4.6 adjudicate upon the disputes between the licensees and generating companies and to refer disputes for arbitration where considered appropriate;
- 4.7 levy fee for the purposes of the Electricity Act, 2003;
- 4.8 specify the State Grid Code;
- 4.9 specify or enforce standards with respect to quality, continuity and reliability of service by licensee;
- 4.10 fix the trading margin in the inter-State trading of electricity, if considered necessary;

- 4.11 discharge such other functions as may be assigned to it under the Electricity Act, 2003, as amended from time to time;
- 4.12 advise the State Government on all or any of the following matters, namely:-
  - 4.12.1 Promotion of competition, efficiency, and economy in the activities of the electricity industry,
  - 4.12.2 Promotion of investment in electricity industry,
  - 4.12.3 Reorganisation and restructuring of the electricity industry in the State including, more particularly, matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.
- 4.13 The State Commission shall ensure transparency while exercising its powers and discharging its functions.
- 4.14 In discharge of its functions the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy issued under Section 3 of the Act.

## **5 CHAIRPERSON**

The present Chairperson of the Commission is Shri P W Ingty, IAS (Retd), who took charge of the office on the 25<sup>th</sup> September 2019.

## **6 MEMBER**

Shri Roland Keishing, retired District Session Judge from Manipur joined the MSERC, Shillong as Member (Law) on 27 September, 2019. Notification No. POWER-110/97/Pt.II/125 dated the 5<sup>th</sup> November, 2018, in partial modification to this Department's notification PE.110/97/580, dated 26.03.2004, the Governor of Meghalaya is pleased to change the Meghalaya State Electricity Regulatory Commission (MSERC) into a Two Member Commission, and with one member be person of law with requisite qualification. His term ended on the 31<sup>st</sup> December 2022. Shri Ramesh Kumar Soni retired District & Session Judge from Madhya Pradesh was appointed as Member (Law) on 25<sup>th</sup> July 2023.

## 7 CONSULTATIVE BODIES

The Chairman of the Commission is a member of the Forum of Regulators (FOR), a statutory body established in accordance with the provisions of sub-section 2 of section 166 of the Electricity Act, 2003.

During the period under review several meetings of the Forum and its sub-committees were held. These meetings helped in coordinating and aligning regulatory matters, policies and practices followed by different States.

The Chairman is also a member of the Forum of Indian Regulators (FOIR). This is a registered society which predates the Forum of Regulators. The membership of this body is not confined only to regulators in the Power sector but to other sectors also. Several members of this forum have a wealth of experience of regulatory processes and procedures and the deliberations provide an opportunity for wide ranging in-depth examination of technical, legal and implementation issues.

The Chairperson has attended the following meetings during the period of report.

Sl. No.	Period	Subject
1.	22 <sup>nd</sup> – 25 <sup>th</sup> April 2022	79 <sup>th</sup> Meeting of the Forum of Regulators (FOR) at CERC, New Delhi.
2.	7 <sup>th</sup> -9 <sup>th</sup> June 2022	23 <sup>rd</sup> Annual General Body Meeting of Forum of Indian Regulators (FOIR) at New Delhi.
3.	15 <sup>th</sup> -16 <sup>th</sup> July 2022	14 <sup>th</sup> Forum of Regulator for Eastern & North-Eastern States (FORENS) Meeting at Raichak, Kolkata
4.	7 <sup>th</sup> October 2022	Meeting of Forum of Regulators (FOR) with the Union Finance Minister of Power, at New Delhi.
5.	19 <sup>th</sup> -21 <sup>st</sup> October 2022	14 <sup>th</sup> Forum of Regulator for Eastern & North-Eastern States (FORENS) Meeting at Gangtok, Sikkim.
6.	2 <sup>nd</sup> -3 <sup>rd</sup> February 2023	84 <sup>th</sup> Meeting of the Forum of Regulators (FOR) at Gandhinagar, Gujarat.
7.	3 <sup>rd</sup> – 4 <sup>th</sup> March 2023	Official meeting with Chairman of CGRF, Tura, Meghalaya.

## 8 HUMAN RESOURCE.

Under the Electricity Act 2003, the Secretary of the Commission assists the Chairperson in all statutory matters and in personnel, administration, account and finance. Besides full time employees, the Commission has

been utilising the need based services of consultants in the disciplines of law, finance and electrical engineering.

## 9 OFFICE ACCOMODATION

State Government had allotted one wing of the 1<sup>st</sup> floor of the New Administrative Building at Lower Lachumiere, Shillong, and the Commission has been functioning from the above premises since December, 2007.

## 10 LAN& WEBSITE:

The computers in the Commission's office are connected through networking to local area network (LAN). The system is useful for access of any information. The commission has its own website, [www.mserec.gov.in](http://www.mserec.gov.in), which is regularly maintained and updated. The website is used for publicising hearing schedules, news, updated, tariff related issues, meetings, inviting comments on concept papers, regulations, petitions, tenders, job vacancies, etc. It also provides information on the Consumer Grievances Redressal Forum and Ombudsman and guides the consumer for Redressal of their grievances. Further information such as notified Regulations, Orders and Reports are also available and can be downloaded from the website.

## 11 REGULATIONS

During the FY 2022-23 the Commission has notified the following regulations:-

Sl.No.	Notified date		Regulations			
11.1	23 <sup>rd</sup> June 2022		Meghalaya State Electricity Regulatory Commission (Terms & Conditions for Determination of Tariff from Renewable Energy Sources) (1 <sup>st</sup> Amendment) Regulations, 2014.			
11.2	3 <sup>rd</sup> August 2022		Meghalaya State Electricity Regulatory Commission (Redressal of Consumer Grievances & Electricity Ombudsman) (First Amendment), Regulations, 2017.			
11.3	30 <sup>th</sup> August 2022		Meghalaya State Electricity Regulatory Commission (Renewable Energy Purchase Obligation & its Compliance) (2 <sup>nd</sup> Amendment) Regulation, 2018			

11.4	9 <sup>th</sup> March 2023	Meghalaya State Electricity Regulatory Commission (Renting/Leasing Out of the Discom assets for Facilitation of Telecommunication Network) Regulation, 2023.
------	----------------------------	--

## 12 ORDERS

The Commission has issued the following orders during the period of report:-

Sl.No.	Case No.	Date of Issue	Orders
<b>12.1</b>	21/2021	30.01.2023	Petition filed by Shri. Tokiwaio Blah under section 67(4) of the Electricity Act, 2003.
<b>12.2</b>	1/2022	20.06.2022	Petition for appropriate directions to the respondent, MNREDA to set-off the power generated by WHRS against its RPO under MSERC (Renewable Energy and its Compliance) Regulation, 2018 and consequent reliefs.
<b>12.3</b>	2/2022	22.09.2022	Petition for Review of True up Order FY 2018-19 of Meghalaya Power Distribution Corporation Limited filed by Byrnihat Industries Association.
<b>12.4</b>	3/2022	22.09.2022	Petition for Review of True up Order FY 2019-20 of Meghalaya Power Distribution Corporation Limited filed by Byrnihat Industries Association.
<b>12.5</b>	4/2022	3.10.2022	Petition for Review of True up Order for FY 2018-19 of Meghalaya Power Distribution Corporation Limited.
<b>12.6</b>	5/2022	3.10.2022	Petition for Review of True up Order for FY 2019-20 of Meghalaya Power Distribution Corporation Limited.
<b>12.7</b>	6/2022	30.09.2022	Petition for Review of True up Order for FY 2018-19 of Meghalaya Power Generation Corporation Limited.

<b>12.8</b>	7/2022	3.10.2022	Petition for Review of True up Order for FY 2019-20 of Meghalaya Power Generation Corporation Limited.
<b>12.9</b>	08/2022	17.10.2022	Petition for Revision of ARR & Annual Fixed Charges for FY 2022-23 for Meghalaya Power Generation Corporation Limited (MePGCL).
<b>12.10</b>	9/2022	10.10.2022	Petition for Review of ARR and Tariff Order for FY 2022-23 as Regulation 22 for Meghalaya Power Distribution Corporation Limited (MePDCL).
<b>12.11</b>	10/2022	29.09.2022	Petition for Approval of Mid-term Review of Business Plan for third MYT Control Period FY 2021-22 to FY 2023-24 of Meghalaya Power Generation Corporation Limited.
<b>12.12</b>	21/2022	22.03.2023	True up Order for FY 2020-21 of Meghalaya Power Distribution Corporation Limited.
<b>12.13</b>	22/2022	22.03.2023	True up Order for FY 2020-21 of Meghalaya Power Transmission Corporation Limited.
<b>12.14</b>	23/2022	06.02.2023	Approval of Additional Business Plan for Control Period FY 2022-22 to FY 2023-24 of Meghalaya Power Distribution Corporation Limited.
<b>12.15</b>	26/2022	30.03.2023	Petition for determination of Aggregate Revenue Requirement (ARR) and Transmission Tariff and open access charges for FY 2023-24 for Meghalaya Power Transmission Corporation Limited (MePTCL)
<b>12.16</b>	27/2022	30.03.2023	Petition for Approval of Aggregate Revenue Requirement and Generation Tariff for MePGCL Old projects including Sonapani, MLHEP, New Umtru and Lakroh mini HEP for FY 2023-24 for Meghalaya Power Generation Corporation Limited (MePGCL).

<b>12.17</b>	28/2022	22.03.2023	True up Order for FY 2020-21 of Meghalaya Power Generation Corporation Limited.
--------------	---------	------------	---

<b>Total Petitions received and disposed during the period of report</b>	
No of Petitions pending as on 01.04.2022	2
No. of Petitions received during FY 2022-23	27
No. of petitions disposed of during FY 2022-23	17
No of Petitions pending as on 31.03.2023	12

### 13 STATE ADVISORY COMMITTEE

In exercise of the powers conferred under section 87 of the Electricity Act, 2003, the Commission, under a notification dated 5<sup>th</sup> February 2007, had first constituted the Meghalaya State Electricity Advisory Committee to advise the Commission on questions of policy, protection of interest of consumers, and other matters relating to supply and distribution of electricity in the State. This Committee has been reconstituted by the Commission from time to time, with the present Committee constituted on 9<sup>th</sup> December, 2021 with the following members:

<b>Chairman Ex-officio</b>	1	: The Chairman, Meghalaya State Electricity Regulatory Commission, Shillong-793001.
<b>Member Ex- Officio</b>	2	: The Member (Law) Meghalaya State Electricity Regulatory Commission, Shillong-793001.
<b>Ex-Officio Member</b>	3	: The Principal Secretary/Commissioner and Secretary Food, Civil Supplies and Consumer Affairs, Government of Meghalaya, Shillong-793001.
<b>Members</b>	4	: Dr.Anoop Singh, Coordinator, Centre for Energy Regulation (CER) Associate Prof., Department of Industrial and Management Engineering, Indian Institute of Technology Kanpur, Kanpur – 208016.

- 5 : Chief Engineer, PHE, Government of Meghalaya, Lower Lachumiere, Shillong – 793001
- 6 : Chief Engineer (PWD), Building, Government of Meghalaya, Lower Lachumiere, Shillong-793001.
- 7 : CEO, Shillong Municipality Board, Shillong – 793001.
- 8 : Mr. Ronald Rikman Sangma, Circular Road, Tura Bazar, Tura-794001, West Garo Hills District, Meghalaya.
- 9 : Director Commerce & Industries, Shillong, Meghalaya.
- 10 : Dr. Vanessa Kharmawphlang, 'Vanee Villa,' Lumbasuk, Upper Nongthymmai, Shillong – 793014.
- 11 : Shri. Shyam Sunder Agrawal, CMD (Pioneer Carbide Pvt Ltd.), Byrnihat, Ri-Bhoi district, Meghalaya. Mobile: 7002162868  
Email: [pioneercarbide@gmail.com](mailto:pioneercarbide@gmail.com).
- 12 : Shri. O. R. Challam, (Rtd. Professor, Kiang Nongbah Government College) Panaliar, Jowai-793150, West Jaintia Hills District, Meghalaya.
- 13 : Chairman, Institution of Engineers (India), Meghalaya Centre, Barik Point, Lower Lachumiere, Shillong – 793001.  
Phone: 0364250320  
Email: [iemeghalaya@gmail.com](mailto:iemeghalaya@gmail.com)
- 14 : Director (E&M) HQ, Shillong Zone, SE Falls, Shillong-793011, Phone: 03642534847

15 : Mr. Jogendra Behera ( Vice President-Market Design and Economics), 4<sup>th</sup> Floor, TDI Centre, Jasela, IEX, New Delhi-110025 (Email ID: [rajesh.medirata@iexindia.com](mailto:rajesh.medirata@iexindia.com))

16 : General Manager (Commercial) NEEPCO, Demseiniong Shillong- 793003

**Convener**

17 : The Secretary, Meghalaya State Electricity Regulatory Commission, Shillong-793001.

The reconstituted Committee functions with effect from 1<sup>st</sup> February 2022 till 31<sup>st</sup> January, 2023 which is further extended till 31<sup>st</sup> January, 2024 vide Notification No. MSERC/SAC/2018/180 dated 30<sup>th</sup> November, 2022.

The objective of the State Advisory Committee shall be to advise the Commission on:

- a. Major Questions of Policy
- b. Matters relating to quality, continuity and extent of service provided by the licensees.
- c. Compliance by the licensees with the conditions and requirements of their license.
- d. Protection of consumer interests
- e. Electricity supply and overall standards of performance by the Utilities
- f. Matter which the Commission may refer specifically.

It may be noted that the State Advisory Committee has a significant role in guiding the Commission on question of policy, protection of interest of consumers and other matters relating to supply of distribution of electricity in the State.

During FY 2022-23, the State Advisory Committee (SAC) meeting was held on 21<sup>st</sup> March 2023, at State Convention Centre Shillong. The discussion which took place during the meetings was recorded in the minutes of the meeting and annexed along with the tariff Order issued by the Commission. The minutes of the meeting is annexed as Annexure B in this Report.

## 14 CONSUMER GRIEVANCE REDRESSAL FORUM

The Commission vide Notification No. MSERC/CGRF/60/2008/103, Dated: 3<sup>rd</sup> August 2023, has amended the Meghalaya State Electricity Regulatory (Redressal of Consumer Grievances & Electricity Ombudsman) (First

Amendment) Regulations, 2017. In this amendment the Consumer Grievances Redressal Forum has been constituted at two levels i.e.; Shillong and Tura, with the following Chairpersons and Members:

**Shillong: All Districts under Khasi Hills, Jaintia Hills and Ri-Bhoi.**

- |  |   |             |
|--|---|-------------|
| i) Shri T.Passah, Retd Director(Dist.) | - | Chairperson |
| ii) S.K. Lato, Industrialist           | - | Member      |
| iii) Shri. R. Sungoh, Addl.C.E.(Retd.) | - | Member      |

**Tura: All Districts under Garo Hills.**

- |  |   |          |
|--|---|----------|
| i) Shri. B. R. Sangma, Retd. Chief Engineer – MePDCL | - | Chairman |
| ii) Shri. R. Sangma                                  | - | Member   |

**A. Powers and function of the Forum:**

- (i) The Forum shall examine and consider all complaints that it receives and pass orders for the corporation to remedy the fault or defect within such time as it may decide.
- (ii) In exercising its function the Forum shall have powers to call for information from the Corporation or any other person concerned and to hear him.
- (iii) In dealing with any matter, the Forum may engage or consult a person having special knowledge or skill in the field.
- (iv) A complaint shall be disposed of within a maximum period of fifteen days from the date of receipt and the complainant consumer and the Corporation shall be informed of the decision taken.

**B. Under the said Regulations, the grievances may relate to:-**

- i) Voltage fluctuation.
- ii) Erratic supply of Electricity.
- iii) Defective billing.
- iv) Defective meters.
- v) Defective street lights.
- vi) Default in attending to routine complaints.
- vii) Any other fault or defect which the licensee is duty bound to attend and rectify.
- viii) Not giving or delay in giving electricity connection to an applicant.

It may be mentioned that the Hon'ble Appellate Tribunal on Electricity (APTEL) has directed that, "all the State Commissions/ Joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints received/adjudicated or settled) to the Secretary, Forum of Regulators who

will comply and post the said information online. He would also file a status report in this Tribunal once in 03 months in the Format already approved through our order dated 15<sup>th</sup> April, 2010.”

The quarterly status report is being conveyed by the MSERC to the Secretary FOR in the said Format by 15<sup>th</sup> of the first month beginning next quarter, so that APTEL can be apprised of accordingly.

## 15 OMBUDSMAN

### Powers and function

- i. If the licensee fails or neglects to remove or set right the fault or defect complained of by the consumer or if the Forum neglects or is otherwise unable to deal with the complaint made to it the aggrieved consumer may, within ten days from the last day of the time set for under sub-regulation (1) of regulation 6 or from the date of seeking redress from the Forum under sub-regulation (1) of regulation 4, as the case may be, make a representation to the Ombudsman for redresses of the grievance.
- ii. On receiving a representation, the Ombudsman shall after due examination and consideration settle the grievance of the consumer.
- iii. In exercising its function the Ombudsman shall have the powers to call for reply, information date, records and other related documents from the licensee or from any other person who may be concerned with and to hear them.
- iv. The Ombudsman may, if necessary, engage or consult a person having special knowledge or experience in the matter under consideration for this opinion or advice.
- v. Notwithstanding anything contained in his regulation the Ombudsman may *suo-moto* take up any matter which is a subject of general grievance by consumers relating to supply of electricity in any area in the State.

In exercise of the power under section (2) of section 181 read with sub – section (5) and (7) of section 42 of the Electricity Act 2003 and the regulations framed there-under, **Shri E.Slong**, Secretary, MSERC is functioning as the Electricity Ombudsman.

In this regard, it may also be mentioned that the Hon’ble APTEL has directed that, “all the State Commissions/ joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints received/adjudicated or settled) to the Secretary, Forum of Regulators who will comply and post the said information online. He would also file a status

report in this Tribunal once in three months in the Format already approved through our order dated 15<sup>th</sup> April, 2010.”

The quarterly status report is being conveyed by the SERC's to the Secretary FOR in the said Format by 15<sup>th</sup> of each specified month so that APTEL can be apprised of the position.

## **16 FINANCIAL RESOURCES**

Section 103 of the Electricity Act, 2003 provides for the creation of a State Electricity Regulatory Commission Fund. Section 102 of the Act provides for grants and loans to be extended to the Commission by the State Government. In addition any revenue arising out of collection of fees by the Commission is also to be credited to this fund. Against this background the situation for the period under review is as follows:-

- 16.1 This Commission has not received any grants-in-aid from the State Government for the F.Y 2022-23. In terms of fees, the Commission has so far received Rs.40, 28,010/- (Rupees, Forty Lakhs Twenty Eight Thousand Ten), only from MeECL & others for the tariff applications/petitions filed by them during the period.

## **17 REGULATORY PROCEDURES**

The Commission in discharging its functions under the provisions of the Electricity Act, 2003, undertakes the following:

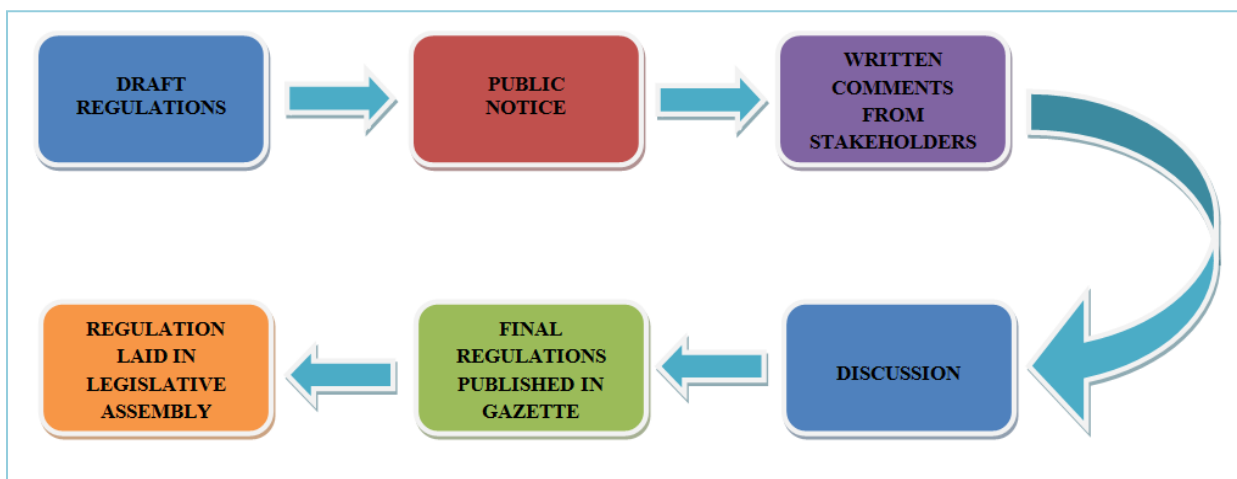
- a. Notifies Regulations
- b. Issues order on petitions relating to
  - i. Determination of different tariff of electricity.
  - ii. Grant of license
  - iii. Review and miscellaneous petitions.

## **18 PROCEDURE FOR REGULATIONS**

The Commission follows a detailed and transparent process before issuing a Regulation. To start with, a draft regulation is developed on the issue on which it is proposed to be made.

The draft regulation is then given wide publicity through electronic and print media inviting comments and suggestions from stakeholders. On receipt of the comments, the issues are discussed threadbare. As per the requirement of the Act, the drafts Regulations then undergo the process of 'Previous Publication'. This implies that the drafts Regulations are published for comments from the stakeholders. It is only after receipt and

consideration of the comments that the Regulations are finally published / notified in the Gazette of Meghalaya.



## 19 PROCEDURE FOR ORDERS ON PETITIONS

Petitions/Applications are made before the Commission primarily for

- i. Retail Tariff determination
- ii. Tariff determination for generation and transmission;
- iii. Grant of license for intra-state trading in electricity.

Apart from the above, the following petitions/applications can also be filed before the Commission:-

- i. Miscellaneous Petition
- ii. Review Petition

The applicant files petitions before the Commission along with prescribed fee. The applicants are also required to publish a summary of their application on their website and gives notice in newspapers inviting objections and suggestions from the public. Thereafter, public hearings are held where the petitioners and the respondents argue their case before the Commission. The Commission passes final orders on the petition after hearing all concerned. The petitioners and the respondents are allowed under the law to file for review before the Commission or appeal against the orders of the Commission before the Appellate Tribunal for Electricity within a specified period.

## 20 PROCESS AND PRINCIPLES OF TARIFF DETERMINATION

Prior to the creation of the Commission, the tariff were being determined by the Government of Meghalaya through specific notification. As per the requirement of the Act, the determinations of tariff inter-alia are now

entrusted to its Commission. In order to discharge this task, the Commission was required to finalize terms & conditions of tariff. After going through transparent process of views and comments of all stakeholders, the Commission finalized and notified Terms & Conditions of Tariff.

The tariff is determined as per the Regulations on Terms and Conditions of Tariff as applicable from time to time. The terms and conditions contain both the financial norms and technical norms. The tariff is usually called the cost plus tariff because the capital cost of the project is the starting point for tariff calculations. It would be more appropriate to call it regulated tariff because other than actual capital expenditure, most of the financial & technical parameters adopted for tariff are normative and not actual.

The tariff calculation exercise is quite elaborate, with various elements going into the tariff being computed individually before arriving at the full tariff. The retail tariff shall be different for different categories of consumers based on the subsidy provided by the State Governments and other factors. The tariff shall also be different for each generating station, depending on its admitted capital cost and applicable norms of efficient operation. The exercise is quite elaborate and time consuming but essential to ensure that the distribution, transmission and generators function in an efficient and economic manner while not misusing their dominant position to extract high prices from the buying utilities and consumers.

## 21 DIRECTIVES:

### 21.1 Directives for MePGCL.

1. Commission has dropped the Directive no. 1 to 3 of Tariff Order FY 2021-22 complied by the MePGCL.

2. **Assets Records and Project wise Breakup**

The MePGCL was directed to maintain Assets records for each project, since all the Old plants have served their life, allowing RoE and depreciation on those assets would result in excess recovery of costs and tariffs. The asset records shall be duly verified as per the Regulations and ensure to delete the value of assets from the Gross block in the Regulatory books for the purpose of calculation of RoE and Depreciation. MePGCL has not complied with the Directive. The Licensee shall submit a report by June 2020.

**Status:**

MePGCL has furnished project wise and asset wise breakup for the new projects MLHEP, New Umtru and Lakroh.

The asset wise breakup figures for Umiam Stage IV and Sonapani are not furnished for the approved Capital Cost of Rs.38.60 Crore

and Rs.10.79 Crore respectively for which commission has been notifying in every True up orders.

### **Commission's Views**

The asset wise breakup figures for Umiam Stage IV and Sonapani projects shall be furnished for the approved Capital Cost of Rs.38.60 Crore and Rs.10.79 Crore respectively whose CoD was declared in 1992 and 2009 respectively.

Subsequent asset wise break up additions on the above two projects shall be filed in the status report.

MePGCL has furnished in response to the non compliance with the Directive for submission of asset wise breakup in respect of Umiam Stage IV project and Sonapani project in their letter dated 21.03.2023.

The Utility has submitted the asset wise breakup only for Sonapani project whose historical capital cost furnished to be at Rs.9.72 Crore. Whereas, Commission had considered Capital cost of the Sonapani Project at Rs.10.79 Crore considering the DPR cost as filed in the petition for the Tariff Year FY 2013-14 and Depreciation has been allowed in the ARR till now.

Thus there has been excess capital cost of Rs.1.07 Crore and depreciation there on allowed in the ARR.

Commission considers claw back of the excess Capital cost and Depreciation there on allowed so far, in the True up of business to be filed for FY 2021-22.

**The Directive for non compliance of asset wise breakup in respect of Umiam Stage IV remains valid for the proposed punishment.**

The asset wise breakup for MLHEP, New Umtru and Lakroh Projects furnished for Rs.1285.52 Crore, Rs.605.39 Crore and Rs.25.72 Crore respectively as against approved Capital Cost with asset wise breakup stood at Rs.1285.71 Crore, Rs.585.62 Crore and Rs.22.41 Crore as 31.03.2021 shall be adopted in the subsequent petitions, thus complied with Directive of Regulatory Accounts.

### **3. Regulatory Accounts**

The MePGCL shall maintain and file Regulatory accounts along with Tariff Petition and for True up petition as mandated in Regulation 4.2 (c) of MYT Regulations 2014.

**Status:**

The MePGCL has sought for the formats to be notified for presentation of Regulatory accounts.

**Commission's View:**

Commission had suggested to maintaining the Regulatory books with reference to the Trued up figures for future filings.

Regulatory Accounts are to be presented mainly for the following fixed ARR elements considering the addition/growth activities of the project performance.

1. Depreciation
2. Interest and Finance charges
3. Return on Equity
4. O&M Expenses
5. Interest on Working Capital

Commission had notified the Directive no.4 of Tariff Order for FY 2022-23 dated 25.03.2022 for filing of impending Regulatory accounts in the absence of specific formats.

**Depreciation:**

The utility has been presenting project wise and asset wise breakup in the existing format (note no.2 of SoA) for compilation of accounts. The same formats shall be extended with an additional column to record the Regulatory approved value/figure of the asset in the True up orders for evaluation of subsequent years depreciation.

**Interest and Finance charges:**

The interest and finance charges shall be evaluated on the capital investment plan and actual outstanding loans borrowed for capital investment.

The Regulatory account shall be adopted based on the last approved figures of Interest and Finance charges in the True up exercise for evaluation of subsequent year Interest and Finance charges.

**Return on Equity:**

The Return on Equity shall be evaluated based on the approved GFA after deduction of the Govt Grants and contributions for capital assets as per Regulation 31 read with 27.

The Regulatory account shall be adopted based on the last approved RoE in the True up exercise for evaluation of subsequent year RoE.

**O&M Expenses:**

O&M expenses shall be evaluated on the basis of approved capital cost of Generation project and shall be escalated at 5.72% year on year as provided in the Regulation 56.7 of MSERC MYT Regulations 2014.

The Regulatory account shall be adopted based on the last approved O&M expenses in the True up exercise for evaluation of subsequent year O&M expenses.

**Interest on Working Capital:**

The Interest on working capital shall be evaluated on the actual performance of the previous year and value approved on the parameters considered for True up of the previous year.

MePGCL shall follow and adopt the approved figures in the last True up orders for filing of subsequent petitions with the Regulatory Accounts approved in the True up and projections for subsequent year ARR.

**In View of the theoretical suggestion made above, utility shall design the proforma for compliance of the Directive.**

**Utility shall file Status of the Directives not complied with by 30.09.2023.**

**21.2 Directives for MePTCL.**

1. Commission has dropped the Directive no. 1, 3, 5,6,7,8,9,10 and 11 of Tariff Order FY 2021-22.
2. Regulatory Accounts the Licensee shall maintain and file Regulatory accounts along with Tariff Petition and True up petition based on the Regulatory accounts as mandated in Regulation 4.2 (c) of MYT Regulations 2014.

**Status:**

MePTCL has not furnished asset wise breakup with value for the Transmission Gross Fixed Assets as has been reporting in the audited accounts vide note no.2 of SoA.

**Commission's view:**

Regulatory Accounts are to be evaluated mainly for the following fixed ARR elements considering the growth of the STU performance.

1. Depreciation
2. Interest and Finance charges
3. Return on Equity

#### 4. O&M Expenses

#### 5. Interest on Working Capital

Commission had notified Directive no.2 of Tariff Order for FY 2022-23 dated 25.03.2022 for filing of impending Regulatory accounts in the absence of specific formats.

Commission had suggested to maintaining the Regulatory books with reference to the Trued up financials for future filings.

#### **Depreciation:**

The utility shall file asset wise breakup figures with values approved in the True up orders of the latest financial year. The same format may be provided with an additional column to record the Regulatory approved values/figures in the True up orders for evaluation of subsequent years depreciation.

The Regulatory account shall be adopted based on the last approved Depreciation in the True up exercise for evaluation of subsequent year Depreciation.

#### **Interest and Finance charges:**

The interest and finance charges however shall be evaluated on the capital investment plan and actual outstanding loans borrowed for capital investment.

The Regulatory account shall be adopted based on the last approved figures of Interest and Finance charges in the True up exercise for evaluation of subsequent year Interest and Finance charges.

#### **Return on Equity:**

The Return on Equity shall be evaluated based on the approved GFA after deduction of the Govt Grants and contributions for capital assets as per Regulation 31 read with 27.

The Regulatory account shall be adopted based on the last approved RoE in the True up exercise for evaluation of subsequent year RoE.

#### **O&M Expenses:**

The licensee shall file the Transmission network data for evaluation of base year norms to assess O&M expenses as per Regulation 69.3

MePTCL shall evaluate the O&M expenses based on the actual value for FY 2020-21 True up by allocating ratio of No. of personnel deployed for O&M activity on the number of substations (voltage wise) number of Bays (voltage wise) and CKT KMs length of line (Voltage wise) as base year norm. The sum shall be escalated for subsequent years O&M expenses considering the percentage increase in the Growth of Network addition.

MePTCL shall furnish the above norm for consideration of the commission to fix the O&M expenses for determination of subsequent year ARR and Tariff.

**Interest on Working Capital**

The Interest on working capital shall be evaluated on the actual performance of the previous year and value approved on the parameters considered for True up of the previous year.

Licensee shall follow and adopt the approved figures in the last True up orders for filing of subsequent petitions with the Regulatory Accounts approved in the True up and projections for ARR.

**3. Functioning of SLDC**

The MePTCL is required to maintain separate Account Books for SLDC and file the expenditure and income along with Transmission ARR without fail.

**Status:**

All the accounting records and data till FY 2017-18 are maintained separately for SLDC under MePTCL and presentation of Accounts for SLDC and Consolidation of the same with MePTCL, is assured to be taken up at the earliest.

**Commission's view:**

The licensee shall expedite the process.

**4. Withdrawal of the Assets from Gross Block**

The useful life of the Transmission assets is 35 years from the date of commissioning. The Fixed assets of the STU are in use for more than 35 years of their life for which the MePTCL is claiming Depreciation and Return on Equity. The Licensee shall ensure withdrawal from Gross fixed assets block whose life term has been completed. Licensee shall ensure reduction in the claim of depreciation and ROE for the assets completed lifetime in use for determination of tariff henceforth, so that the cost and tariff can be reduced.

MePTCL shall file the data as pointed out for commission's review by 30<sup>th</sup> June 2021.

**Status:**

The MePTCL maintains a record of its Assets in the Fixed Assets Register which records a monetary value of the assets. The MePTCL follows the principle of straight line depreciation as mandated by the CERC up to 90 Percent of the acquisition cost of the asset. Hence, on attaining depreciation up to 90 percent, there is no further calculation of depreciation on the particular asset.

**Commission's view:**

Commission had issued Directive no.4 for withdrawal of the asset cost from the books of accounts whose lifetime of 35 years completed in service.

The licensee has stated that the details of Transmission lines and substations along with the commissioning date in Annexure-I submitted are found to be without monetary value. It is further stated that necessary action on the calculation of GFA, Depreciation and RoE shall be taken up by the accounts wing of MeECL.

MePTCL shall ensure action to withdraw the value from Gross block for Regulatory accounts.

#### **5. Norms for O&M expenses**

The O&M expenses for Transmission utility shall be determined based on the Network quantity and data as notified under Regulation 69.3.

The Network data filed with the petition for ARR of 3<sup>rd</sup> MYT control period and additional information/data filed on 03.02.2021 is not matching each other by which the commission constrained to formulate a norm for computation of admissible O&M expense for Tariffs for FY 2021-22 in line with the CERC Regulations 2019.

#### **Status:**

MePTCL has complied the detailed year wise network data from FY 2018-19 till FY 2023-24 and the same has been submitted vide letter no. MePTCL/DT/T-21(Pt-X)/2022-23/8 dated 25<sup>th</sup> May 2022.

#### **Commission's View:**

MePTCL shall evaluate base year O&M expenses considering the actual value for FY 2020-21 True up (Rs.32.01 Crore) by allocating the ratio of no. of personnel deployed for O&M activity on the number of substations (voltage wise) number of Bays (voltage wise) and CKT KMs length of line (Voltage wise) as base year norm. The sum shall be escalated for subsequent years O&M expenses considering the percentage Growth of network addition.

MePTCL shall furnish the above norm for consideration of the commission for computation of O&M expenses and determination of subsequent year ARR and Tariff.

**Utility shall file Status of the Directives not complied with by 30.09.2023.**

### **21.3 Directives for MePDCL.**

#### **1. Energy audit**

As per the MOU entered for implementation of UDAY scheme, energy audit upto 11Kv level has been made mandatory; licensee shall ensure energy audit as contemplated in the MOU and report progress of loss levels to the Commission every month.

**Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

Energy Manager for energy accounting which is required as per Energy Conservation Act 2001 was appointed on 8<sup>th</sup> December 2022.

Energy Auditor namely A-Z Energy Engineers Private Limited, New Delhi was appointed on 7<sup>th</sup> December 2022.

Energy Audit for MePDCL for FY 2020-21 and FY 2021-22 has already been carried out by A-Z Engineers Private Limited, the empanelled Energy Auditor of BEE for DISCOMS.

The pockets of loss-making network have been identified. Under NERPSIP and ADB schemes some new 33/11 KV Substations, 33 KV lines and 11 KV lines are being constructed, some of which, have already been completed, some are in progress and some are yet to start. Under RDSS scheme, the works to reduce the AT&C loss include (a) strengthening of some 33 KV, 11 KV & LT lines (wherever necessary) (b) construction of 11 KV lines with DTs to reduce LT line length (c) conversion from overhead line to MVCC for 33 KV & 11 KV lines (wherever necessary) (d) Conversion from overhead line to ABC for LT line (wherever necessary) (e) Feeder, boundary & DT metering (f) installation of smart meters for consumers which have not been covered under ADB Scheme (g) Unified Billing System. With the completion of the RDSS scheme, energy accounting and energy audit can be carried out at different levels and the report will be system generated.

Feeder and DT Meterings have been installed. However, Loss analysis has not been carried out successfully due to shortage of Man power and some of the metering equipment become defective. With the launching of RDSS (Revamped Distribution Sector Scheme) by the Government of India, all the above meters are expected to be replaced with smart meters which will eliminate the necessity to have more man power to carry out the loss study and could retrieve the data in real-time and, as and when required.

**Commission's Views**

Licensee has filed study report carried out for FY 2020-21 and FY 2021-22 by the A-Z Energy Engineers Private Ltd. on 22.03.2023 on the Commission's Directive reviewed during Public hearing held on 15.03.2023.

The Energy audit report reveals T&D loss at 27.04% and AT&C loss at 26.72%. The Study report with reference to the input Energy and Metered Energy disclosed AT&C loss % at 61% and 71% in the

West Garo and East Garo circles which is more than T&D losses claimed at 26.75% and AT&C loss at 29.67%.

It can be observed from the study that substantial loss of Energy purchased has been lost in the T&D and AT&C losses causing performance deficiency in the operations of the Discom.

The Status of T&D and AT&C losses during the FY 2021-22 in respect of the West Garo hills reported at 58.80% and East Garo hills circle had further increased to 78.64%. Added to the above AT&C loss study, Jaintia hills and Tura Circles recorded 33.51% and 64.26% which is more than the overall T&D and AT&C loss levels of 24.85 % and 24.96% for FY 2021-22.

The licensee has reported various infrastructural strengthening activity such as construction of 33 KV substation and lines, 11 KV and LT lines, providing feeder boundary and DT metering, conversion of overhead line to AB cables for LT lines wherever necessary, installation of smart meters for consumers who were not covered under ADB scheme and unified billing system. With the completion of RDSS scheme, Energy audit can be carried at different levels and system generated report will be filed.

Licensee's endeavors would facilitate reduction in the T&D and AT&C losses provided Capex has been capitalized resulting in savings in power purchase cost and reduction in the Tariffs to the users.

Commission has approved RDSS scheme to be commenced in the current MYT period FY 2023-24. The licensee shall expedite implementation of RDSS scheme for which 90% of the investment has been proposed to be funded by the Govt. of India.

The licensee shall submit progress report for every quarter in the FY 2023-24.

## **2. Energy conservation and DSM**

MeECL submitted that in fact the Government has observed that CFL is to be phased out and consumers are encouraged to use LED bulbs for lighting purpose. It may be mentioned that the M/s Energy Efficiency Services Limited is being engaged as consultant to assist MePDCL to implement energy conservation and DMS. The Licensee shall advise the local Government to avoid use of fluorescent, Mercury, sodium vapour, CFL fittings, incandescent lamps by replacing existing street lights with LED lamps and fittings in order to ensure implementation of energy conservation and DSM. Commission had not considered the tariffs for public lighting with CFL fittings in the Tariff Order for FY 2018-19, proposals for Tariff rates for CFL fittings in the petition for FY 2020-21 is not considered.

**Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

There were 277 nos of CFL fittings in the year 2020-21 and the amount realized from these fittings during FY 2020-21 was Rs.12.61 Lakhs.

It may be mentioned that energy conservation activities are being done by the Office of Senior Electrical Inspector being State Designated Agency. Only DSM part is being taken up by MePDCL.

In the Month of May 2022, BEE had given a proposal to provide man power support to MePDCL for DSM activities. In response MePDCL had given consent in the month of July 2022. The final response from BEE is awaited.

**Commission's Views**

Commission directs that 100% (277 nos.) CFL fittings shall be replaced with metered LED fittings by September 2023 which will boost the Energy sales and Revenue for sale of power.

**3. Man power utilization study**

Licensee submitted that the Manpower mapping is being done by Corporate Affairs wing of the MeECL.

Commission directs the Licensee to expedite submission of report for optimum utilisation of manpower, which would not affect efficiency while at the same time reducing costs. Report to be made available to the Commission by 30/06/2020.

**Status:**

MePDCL had carried out an exercise for the bare minimum manpower and submitted to the State Government vide letter no. MeECL/CA/GA/73/2022/46 dated 20<sup>th</sup> September 2022 for approval. The same is awaited. It is expected that an approval will be received shortly and accordingly, an additional employee cost will also involve. The additional employee cost will be intimated in due course of time before the Hon'ble Commission for consideration in the Tariff.

**Commission's Views**

The licensee shall pursue the matter with the MeECL and State Govt. on the subject for deployment of additional manpower.

Commission shall examine financial commitment in the ARR wherever considered necessary.

Licensee shall report progress periodically to the commission.

#### **4. Energy Accounting Under UI/Swapping**

The Commission directs the Licensee that payables/receivables towards UI/Swapping are properly scrutinized so that any excess allowed in the power purchase cost, due to difference in scheduling and actual drawl, by the open access consumer is not collected twice.

##### **Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

The Source wise swapping, banking details (sale and purchase) is enclosed as Annexure A3 in Annual Energy Audit Report.

The swapping purchase account filed for the period FY 2013-14 to FY 2021-22 amounted at 2437.37 MU.

The swapping sale of power filed for the period FY 2013-14 to FY 2021-22 amounted at 2210.19 MU.

The Payable/receivables towards UI (deviation) against Open Access customers are under direct control of SLDC.

MePDCL prepares only Cross Subsidy Surcharges bills for Open Access customers based on data from SLDC. There has been instances of complaints about double billing of Cross Subsidy surcharge from Open Access Customers.

##### **Commission's views**

The Energy Account under swapping purchase and sale is disclosed that 227.18 MU is returnable for the period FY 2013-14 to FY 2021-22.

The cost of the purchase and sale is reported to be inclusive of surcharge which is not admissible for determination of Tariff.

The Licensee shall ensure to furnish the source wise swapping account with actual cost of purchase and sale excluding surcharge and shall be reported through audited accounts for Regulatory process.

MePDCL has been filing the True up petitions for approval of the commission wherein the licensee is filing the bilateral power procurement under swapping and Banking arrangement from various Traders/Vendors during the period of supply Regulation. Commission had issued Directive to ascertain quantum of energy source wise receivable/returnable at the end of the year under swapping and banking arrangement.

Licensee shall obtain data from the SLDC/Transmission utility and furnish the details along with the True up petition. The same data shall be reported through the Audited accounts for Energy accounting in the True up process.

## **5. Restructuring of MeSEB/Functioning of the Trust**

The Commission directs the Licensee to place the details of transaction of pension, terminal liabilities and status of the functioning of Trust made for disbursement of the retired employees in its next ARR so as to make necessary adjustments, if any, in accordance with the Regulations.

### **Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

Contribution of the MeECL towards the Trust was last given in March 2013. As all investment was redeemed fully since May 2021 (as per Board of Trust resolution dt 05.12.2017), no extra fund for investment to the Pension Trust was made except Monthly Pension and Other payments.

The Accounts of the Pension Trust has been included in the Statement of Accounts of MeECL (Holding Company) and the expenses towards the Terminal benefits has been apportioned accordingly to the subsidiaries. This is due to the fact that the Corpus Fund has not been made available to the Trust as per the Transfer Scheme 2010. The Trust will be made functional on Receipt of Corpus Fund from the government of Meghalaya as per the Transfer Scheme and also subsequent Terminal Benefit Contribution from the utilities shall be deposited into Trust Account.

### **Commission's Views**

Commission during the discussions had with the MeECL officials on 24.11.2021, held that the interests of the consumers must be kept in mind and the burden of pension and terminal benefits cannot be passed on to Tariff.

Commission was willing that some part of the Employees terminal benefits shall be allowed in the True up process strictly subject to the condition that immediate action on progressive funding of the pension Trust fund was ensured.

MeECL/MePDCL shall pursue with the Govt. of Meghalaya and ensure operationalise the Trust accounts expeditiously.

## **6. Reduction in AT&C losses**

- a. Reduction in T & D losses
- b. Reduction in commercial losses
- c. Improvement in metering, billing and collection

### **Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

The Progress Report on the action to reduce AT&C loss is appended in Annexure A4 of Annual Energy Audit Report.

Efforts are being made by MePDCL to reduce the AT&C losses. The AT&C losses for FY 2017-18, 2018-19, 2019-20 as approved by the Hon'ble Commission in the True up orders are 38.00%, 36.20% & 32.07%. Further, the AT&C loss for FY 2020-21 as per petition filed on 1<sup>st</sup> November 2022 is 26.75%. This clearly shows that MePDCL has made every effort to reduce the AT&C losses despite the fact there are innumerable constraints like, old distribution network (lines, cables, DTs etc) long LT lines, especially in rural areas where phase balancing is not possible, acute shortage of man power, unrealistic target for reduction of AT&C losses by Hon'ble Commission etc.,

#### **Commission's Views**

Licensee has reported various infrastructural activities taken up with the funding assisted from ADB in order to achieve reduction of AT&C losses. The Status reported reveals that 09 nos 33/11 KV substations completed between April 2020 and January 2023. The Capital cost of these projects shall be brought into the books from which depreciation and RoE shall be admissible in the ARR. The objective of reduction in the AT&C losses would be achieved on Capitalization of the completed works.

The status of the ongoing improvement works shall be updated by 30<sup>th</sup> September 2023.

Regulation 83.1 of MSERC MYT Regulations 2014 specifies that – *“in case a licensee whose AT&C losses during the previous year are less than 30 percent, it would be obligatory for such licensee to reduce such AT&C losses by a minimum of 1.5 percent only during the year for which a Tariff Application is made. Failure to achieve this level of reduction may be penalized in the same manner as set out in clause (a)”*.

The licensee shall ensure reduction of AT&C losses by implementation of RDSS programmed in FY 2023-24.

#### **7. Power Purchase:**

Licensee has been projecting high volume of power procurement without corresponding increase in the level of energy sales. As a result a huge quantum of energy is being surrendered to UI/exchange, IEX which at times does not even cover cost price. This results in high cost of procurement and ultimately resulted in substantial increase in tariffs. The Licensee shall properly estimate the demand and follow the procedure laid down for sale to the consumers in the licensed area. The Licensee shall invariably obtain prior approval from the Commission where it is proposed to purchase power from sources other than approved vendors bilaterally, as specified in Regulations.

Commission directs the licensee to ensure optimum level of energy procurement in order to reduce the costs & tariffs, since there is a surplus of about 1100 MU available for FY 2020-21.

**Status:**

Power is purchased as per PPA from the Central generating stations and from MePGCL. Based on the daily entitlement schedule projected by NERLDC and the projected availability from MePGCL, the tentative Surplus/ Shortfall on the Demand is determined in every 15-minute time block (96 time blocks in a day). Should there be surplus, the energy is either sold to exchange or banked with different utilities, and should there be deficit, the required energy is either swapped with other utilities to be returned or purchased from exchange under RTM. Generally, power is sold or banked during monsoon period and purchased or received back the banked power during the lean period.

In a month or a year the Energy purchase may seem to be excess, but the reality is that if we go into 15 minute time block, we can see that there will be time period where there is shortfall and at some other time block there will be surplus. In general there will be surplus during the monsoon. And MePDCL is the worst sufferer in the sense, that its sources of power are mostly hydel. During this high availability, MePDCL is even penalised for under drawl power from the GRID because it is not allowed to inject in case of no takers of power.

It is because of thus that wherever no taker for swapping, MePDCL is trying to sell in the exchange to get whatever minimal income than to stop MePGCL to stop its generation. As the case to merit order dispatch, priority of generation is allowed first for CPSYs and next State PSUs to inject in the common Grid.

The Surplus of 1100 MU for FY 2020-21 is the projected figure for BgTPP, Farakka, Kahalgaon St-I & II, Talcher STPS from NTPC and Kopili HEP Stage I & II and Kjandong HEP of NEEPCO where actually due to outage of power Station/ Surrender of power, regulation of power, no power was actually drawn from these power stations during this financial year.

The Source wise energy account for the Transactions under swapping, banking etc is enclosed as Annexure A3 in Annual Energy Audit Report.

Further, MePDCL has been penalised every year on account of unaccounted energy. MePDCL cannot understand how can there be unaccounted energy in the True up Orders when all the power sold and purchased have been accounted for while calculating T&D loss. Therefore MePDCL requests the Hon'ble Commission to kindly illustrate by giving example how the T&D loss and balance energy in its true up Order is calculated so that there will be no unaccounted energy.

### **Commission's Views**

Regulation 85.1 of MSERC MYT Regulations 2014 specifies that the licensee shall procure power from approved sources. Additional Energy required after taking into account the availability of energy from such approved sources, shall be reasonably **estimated well in advance** and procurement arrangement made.

Licensee has been projecting regional losses up to the distribution periphery in the Energy balance statement. The licensee has been claiming intrastate losses at 4% to arrive at the surplus power at the end of the year after deduction of distribution loss without Grossing up of surplus power before injecting into the interstate network. This is how Energy account variations are observed and pointed out in the True up analysis.

Licensee shall re-verify the Energy balance computation and point out specifically where it went illogical.

The licensee shall keep in a record of advance estimate of surplus power in the manner estimated before procurement as per Regulations.

### **8. Metering, Billing and Collection Efficiency:**

The Licensee is directed to ensure 100% metering of all consumers. Similarly, all 33kV and 11kV feeders and distribution transformers in towns and urban areas, as this would enable the Licensee to conduct energy audit, and accounting for assessing the exact T&D losses. While no new unmetered connections shall be given hence forth, an action plan may also be formulated to meter all unmetered connections existing at present. Licensee shall send a status report and plan of action by 30.06.2020. The licensee shall also target 100% of billing every month by employing IT tools like hand held spot billing machines.

The Licensee should provide multiple options for bill payment by consumers in order to improve the collection efficiency. It is also to be ensured that disconnection of supply is enforced for non-payment, as multiple facilities have been provided for the convenience of the consumer. All the consumer service centres at sub-division level should co-relate with entire metering, billing and collections, so that errors like wrong billing etc are avoided.

#### **Status:**

At present the consumer service centres at Sub Division level are co-relating with the entire metering, billing, collection etc., the metering is almost 100% except for few BPL consumers. Smart metering for about 1.80 lakh consumers is being implemented under ADB project. The remaining meters of the consumers are proposed to be replaced by smart meters under RDSS.

Further, at present all consumers are under one billing software which is user friendly. It has the up to date facilities available for both the utility and the consumers. The consumers can download

the “meghapower application” both android and i-phone mobiles. The application is providing consumers, the facility to pay online, lodge complaints, see the historical consumption, billing and payment etc. The software can handle for both post-paid and prepaid billing for both types of meters (conventional and smart meters). Consumers can pay their electricity bills offline as well as online for both post paid and prepaid meters.

The Progress Report on the installation of smart meters is appended as Annexure A5 in Annual Energy Audit Report.

### **Commission’s Views**

The Progress achieved as on 31.12.2022 was 46.48% in providing smart meters and 19% of smart metering in respect of bulk consumers achieved, while smart meters for LT-CT for DTRs is yet to start.

Licensee shall expedite this process.

The licensee shall file a quarterly report on the number of consumer complaints received and complaints addressed and the reasons for pendency for unresolved complaints in the areas of metering, billing and collections (MBC) as an obligatory under standards of performance as per the EA 2003.

## **9. Un Billed Consumers**

An analysis of data submitted by the licensee gives rise to the suspicion that there are large numbers of metered consumers who have not been billed for years together. The Director Distribution shall constitute a Taskforce consisting of at least three senior officers of the level of Superintendent Engineer and above to confirm that all such consumers who have not been billed at least once in three months are identified, and to suggest systemic changes to ensure that such anomalies do not arise in future.

**This issue has been raised in state advisory committee meeting held on 12.03.2020. Licensee shall expedite action taken on this aspect and report.**

### **Status:**

MePDCL has filed updated action taken report on 22.03.2023 with the following status of the Directive.

The nos. of unmetered consumers of BPL/Kutir Jyoti is about 9.00 % only. All out effort is being made to complete 100% metering of these remaining consumers (18520 out of 206572 nos of KJ/BPL)

With launching of new billing software, the unbilled consumers can be tracked and reports could be generated so that appropriate action can be taken for unbilled consumers. Further, under RDSS, all consumers are expected to be metered with prepaid smart meters, hence unbilled consumers will not arise.

**Commission's Views**

Licensee shall expedite the process.

**10. Regulatory Accounts**

The Licensee shall maintain and file Regulatory accounts along with Tariff Petition and True up petition, as mandated in Regulation 4.2 (c) of MYT Regulations 2014.

**Status:**

Noted.

**Commission's Views**

Commission had notified Directive no.11 of Tariff Order for FY 2022-23 dated 25.03.2022 for filing of impending Regulatory accounts in the absence of specific formats.

Regulatory Accounts are to be evaluated mainly for the following fixed ARR elements considering the activities of the Power Distribution performance.

1. Depreciation
2. Interest and Finance charges
3. Return on Equity
4. O&M Expenses
5. Interest on Working Capital

Commission had suggested to maintain the Regulatory books with reference to the Trued up financials for future filings.

**Depreciation:**

The utility shall file asset wise breakup figures with values approved in the True up orders of the latest financial year. The same format may be provided with an additional column to record the Regulatory approved values/figures in the True up orders for evaluation of subsequent year depreciation.

The Regulatory account shall be adopted based on the last approved Depreciation in the True up exercise for evaluation of subsequent year Depreciation.

**Interest and Finance charges:**

The interest and finance charges however shall be evaluated on the capital investment plan and actual outstanding loans borrowed for capital investment.

The Regulatory account shall be adopted based on the last approved figures of Interest and Finance charges in the True up exercise for evaluation of subsequent year Interest and Finance charges.

**Return on Equity:**

The Return on Equity shall be evaluated based on the approved GFA after deduction of the Govt Grants and contributions for capital assets as per Regulation 31 read with 27.

The Regulatory account shall be adopted based on the last approved RoE in the True up exercise for evaluation of subsequent year RoE.

**O&M Expenses:**

The O&M expenses of the distribution utility shall be evaluated considering the last approved values in the True up orders as per Regulation 94.4 which reads as – *“In the absence of any norms for O&M expenses, Commission shall determine operation and maintenance expenses based on prudence check of the estimates submitted by the licensee and consumer price index/wholesale price index/inflation.”* for subsequent years.

The Regulatory account shall be adopted based on the last approved O&M expenses in the True up exercise for evaluation of subsequent year O&M expenses.

**Interest on Working capital:**

The Interest on working capital shall be evaluated on the actual performance of the previous year and value approved on the parameters considered for True up of the previous year.

Licensee shall follow and adopt the approved figures in the last True up orders for filing of subsequent petitions with the Regulatory Accounts approved in the True up and projections for subsequent year ARR.

**11. Power Purchases Invoices**

Purchase invoices should be matched with the actual energy drawn. MePDCL shall ensure to file the purchase invoices with the energy details in the true-up petition.

**Status:**

Due diligence is being made while passing and pay any invoice (including power purchase). While filing the true up petitions the detailed invoices are also submitted to substantiate the claims. With respect to NTPC for Bongaigaon, the invoices without energy drawn relate to fixed charge component for non drawl of energy due to Regulation of power imposed.

**Commission's Views**

Commission noted the status. Directive is dropped.

## **12. Electric Vehicle Charging Stations**

The Licensee has proposed a Tariff for electric vehicle charging stations vide table no.16 of the petition with fixed charges and energy charges under LT commercial category and HT commercial category without projecting the number of consumers and the connected load of the services. The Commission does not find it prudent to decide on the categorization of the proposed electric charging stations. The Licensee shall submit a status report as soon as the consumers registered their charging stations with the Distribution Company as per the IE rules and safety norms. Commission shall take suitable decision based on the status report.

### **Status:**

At present there is no applicant for Electric Vehicle Charging stations. Status report shall be furnished as soon as the consumers register their charging stations.

### **Commission's Views**

Commission noted the status.

## **13. Tariff rates for the Year FY 2022-23**

Honourable SAC members during the SAC meeting have opined to arrange circulation of the tariff rates to all the consumers

In this respect, the licensee shall circulate/display the tariff rates approved for the year to every consumer. In this regard, licensee may arrange the pre-printed bills duly notified tariff rates on the back side of the bill. This would have one time commitment in a year.

Compliance report on the above directive may be furnished by 30.06.2022.

### **Status:**

Pamphlets have been circulated along with the bills and the same had been intimated to MSERC vide letter Memo No. MePDCL/SE(RA)/71(C)/Pt-VII/2022/32(a) dated 18 May 2022.

### **Commission's Views**

Commission noted the action taken report and this process shall be followed in every Tariff Order.

## **14. Installation of ABT/Smart meters for Ferro Alloy Consumers**

There are altogether seven (7) no of Ferro alloy consumers. Out of these 7 nos, 4 nos are EHT and all but one have been installed with ABT meters both at injection point and Consumer end Installation is in the process.

For the other 3 nos HT consumers, installation of smart meters under ADB funded scheme is in the process.

### **Commission's Views**

The Licensee shall update the progress on this and penalty clause shall be implemented for under drawl of 78% of LF.

**Utility shall file Status of the Directives not complied with by 30.09.2023.**

## **22 FINANCIAL DISCIPLINE**

In terms of sub-section (1) of section 104 of the Electricity Act 2003, the Commission is required to maintain accounts and other records and prepare Annual Statement of Accounts in such forms as may be prescribed by the State Government in consultation with Comptroller and Auditor General of India (CAG). Under the provisions of sub-section (2) of Section 104 of the Act *ibid*, such Accounts are to be audited by the CAG.

## **23 AUDIT REPORT**

The Commission has engaged CAG empanelled statutory auditor for internal auditing of the Commission Accounts and submitted the report to concerned departments, CAG. The latest Commission's approved audited accounts by CAG are available up to FY 2022-23. The financial report as appeared in this edition is based on the CAG audited Report for FY 2022-23 and the same is annexed as ANNEXURE-A.

## **24 CONCLUSION**

Commission will be monitoring the action taken on the directives issued to MeECL on submission of performance reports. During the period under review, the Commission received considerable support and encouragement from the State and Central Governments, the Meghalaya Energy Corporation Ltd., the utilities under it, and from all sections of the public of Meghalaya. It is hoped that this support will continue during ensuing years and the Commission would be in a position to consolidate the work done so far and take further strides towards establishing sustainable electricity regulatory and reform process in Meghalaya.

**(Ramesh Kumar Soni)**  
**Member**  
**MSERC**

**(P.W.Ingty)**  
**Chairman**  
**MSERC**

**ANNEXURE - A***By email/Speed Post/Hand*

कार्यालय प्रधान महालेखाकार (लेखापरीक्षा)  
मेघालय, शिलांग - 793 001.

OFFICE OF THE  
PRINCIPAL ACCOUNTANT GENERAL (AUDIT),  
MEGHALAYA, SHILLONG – 793 001.

Ltr. No. AMG-II/3-7/MSERC (AA 2022-23)/2023-24/684

Date: 04 October 2023

To,

The Secretary,  
Meghalaya State Electricity Regulatory Commission,  
1<sup>st</sup> Floor, Administrative Building,  
Lower Lachumiere, East Khasi Hills District,  
Shillong-793001,  
Meghalaya.

**Sub: Separate Audit Reports of the Comptroller and Auditor General of India on the accounts of the Meghalaya State Electricity Regulatory Commission for the year ending 31 March 2023.**

Sir,

I am forwarding herewith the Separate Audit Reports of the Comptroller and Auditor General of India on the accounts of the Meghalaya State Electricity Regulatory Commission for the year ending 31 March 2023.

2. The date of placing of the Separate Audit Report and annual accounts on the table of the State Legislature may please be intimated in due course and ten copies of the Report, placed before the Legislature, may please be sent to this office for record.
3. The Separate Audit Report may please be treated as **Confidential** till it is placed before the Legislature.
4. Receipt of the letter along with the enclosures may please be acknowledged.

Yours faithfully,

Encl: As stated

*(Signature)*  
Dy. Accountant General  
Audit Management Group-II

**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA ON THE ACCOUNTS OF MEGHALAYA STATE  
ELECTRICITY REGULATORY COMMISSION (COMMISSION/MSERC),  
SHILLONG FOR THE YEAR ENDED 31 MARCH 2023**

We have audited the attached Balance Sheet of the **Meghalaya State Electricity Regulatory Commission (MSERC/Commission)**, Shillong as at **31 March 2023**, the Income and Expenditure Account and Receipt and Payment Account for the year ended on that date under section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971, read with Section 104(2) of the Electricity Act, 2003 and Rule 9 of the MSERC (Fund) Rules, 2013. These financial statements are the responsibility of the Commission's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of accounts and other relevant records have been maintained by the Commission as required under Rule 7(4) of the MSERC (Annual

Accounts, Audit and Budget) Rules, 2013 so far as it appears from our examination of such books, subject to the observations made in subsequent paragraphs.

iii. We further report that:

**A. Balance Sheet**

**Assets**

**Current Assets, Loans and Advances (Schedule C)**

**Cash at Bank-Savings A/c with MOD facilities: ₹ 2.50 crore**

1. The above Cash at Bank comprised ₹ 1.56 crore invested in Term Deposits and balance amount of ₹ 0.94 crore deposited in Auto Sweep Multi Option Deposit (MOD) Scheme linked to the Current Account of the Commission. Hence, these deposits should have been shown as 'Cash at Bank-Term Deposits' (₹ 1.56 crore) and 'Cash at Bank-Current Account with MOD facilities' (₹ 0.94 crore) instead of the above head.

**Fixed Assets (Schedule B) – ₹ 0.28 crore (Net)**

2. The office space of MSERC is accommodated in a building owned by the Government of Meghalaya (Public Works Department) and is a rent free accommodation. During the year 2021-22, the Commission incurred expenditure of ₹ 0.09 crore for undertaking minor works (construction of toilet, providing false ceiling/wallpaper/floor carpets, painting and wall papering etc.) in the area occupied by it. These expenditures were capitalised as 'Construction Works' and depreciation of ₹ 0.02 crore charged thereon as on 31 March 2023. Since the building does not belong to the Commission and the items of expenditure do not relate wholly to construction works, it should have been treated as a 'revenue expenditure' and charged to 'Income & Expenditure Account'. This has resulted in overstatement of 'Fixed Assets – Construction Works' and understatement of the 'Deficit for the year' (*Excess of Expenditure over Income*) by ₹ 0.07 crore each.

**B. Grants-in-aid**

1: The Commission had opening balance of Grant-in-aid amounting to ₹ 0.69 crore as on 1 April 2022, which had been fully utilised during the year 2022-23. The Commission did not receive any Grants-in-aid during the year 2022-23 and had no unutilised Grant-in-aid as on 31 March 2023.

iv. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipt and Payment Account dealt with by this Report are in agreement with the books of accounts.

v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above, and other matters mentioned in *Annexure* to this Audit Report, give a *true and fair view* in conformity with accounting principles generally accepted in India:

(a) In so far as it relates to the Balance Sheet, of the '*state of affairs*' of the Commission as at 31 March 2023; and

(b) In so far as it relates to Income and Expenditure Account, of the '*Deficit*' (*Excess of Expenditure over Income*) for the year ended on that date.

**For and on behalf of  
the Comptroller and Auditor General of India**



**(Shefali S. Andaleeb)  
Principal Accountant General (Audit)**

**Place: Shillong  
Date: 04 October 2023**

**Annexure to Separate Audit Report****1. Internal Audit System.**

The Commission does not have its own Internal Audit Wing. However, the Internal Audit for the year was outsourced to a Chartered Accountant Firm and the Scope of internal audit covered all the receipts and expenses of the Commission during the year.

**2. Adequacy of Internal Control System.**

The internal control system was found adequate and involved verification of cash transactions and reconciliation of cash balances with that of bank balances.

**3. System of Physical Verification of Fixed Assets.**

Physical Verification of Fixed Assets and Inventory had been conducted as on 31 March 2023.

**4. Regularity in payment of statutory dues.**

Instances of undue delay in remittance and payment of statutory dues were not noticed in audit.



**Sr. Audit Officer**  
**Audit Management Group-II**

**ANNEXURE – B**

**RECORD NOTE OF THE STATE ADVISORY COMMITTEE MEETING HELD**  
**ON 21.03.2023 at State Convention Centre, Shillong.**

**Time: 13:00 Hours**

**Members Present in the Meeting**

- 1 Shri. P W Ingty, IAS (Retd.)**  
Chairman, Meghalaya State Electricity Regulatory Commission, Shillong.
- 2 Shri. R. Keishing**  
Legal Consultant, Meghalaya State Electricity Regulatory Commission, Shillong.
- 3 Shri. Ronald Rikman Sangma**
- 4 Shri. Shyam Sunder Agarwal**  
CMD (Pioneer Carbide Pvt. Ltd.)
- 5 Shri. F.B. Chyne**  
CEO, Shillong Municipal
- 6 Shri. B.L.Lawai**  
SE(PHE) Govt. of Meghalaya
- 7 Shri. Eswoll Slong,**  
Secretary MSERC, Convenor

**Special Invitees**

- 1. Shri. Sanjay Goyal, CMD MeECL.**
- 2. Shri. Timothy Passah, Chairman CGRF Shillong.**
- 3. Shri. Balnang M. Sangma, Chairman CGRF Tura.**
- 4. Shri. M. Shangpliang, Director MePDCL.**
- 5. Shri. M. Rymbai, Director MePGCL**
- 6. Shri. A. Kharpan, Director MePTCL**

**Minutes**

Calling the 25<sup>th</sup> Meeting of the State Advisory Committee (SAC) to order, the Chairman welcomed all the members of Advisory Committee and the special invitees.

The meeting commenced with a power point presentation from Distribution Company given by Shri. Synran Kharmih SE (RA), MePDCL, on the Retail Tariff proposed for the FY 2023-24.

The Chairman invited suggestions from the participants on the proposal of MePDCL and any other issues. Members of the SAC raised the following issues:

**1. Shri. Ronald Rikman Sangma**

- i. The Member stated that even after celebrating 50 (fifty) years of statehood and 75 years of India Independence some villages in Meghalaya are still living without power and still used latern. These villages are Sanjanpara (Welgitim), Wadagre, Arakgitim, Matrongkolgre songgital, Paglapara Songgital, Ambarigitim(Gujangpara), Moronggitim (Gopinathkila), Dinapara (Mikusgitim) of South West Garo Hills and Shiragre, Rangtia, Agitalgre, Kapua(near Rohonpara), Naronggre songgitcham, Gobindopara(A-dinggre) of West Garo Hills. It was also mentioned that despite getting schemes from the Govt. of India like SAUBHAGYA, MeECL/MePDCL failed to provide electricity connection to these villages.
- ii. Regular transfer of Engineers: It was opined that the Engineers and other officials staff of MeECL needs to be transferred on a regular basis as per the provision of the state service rules for transparency, efficiency, minimizing corruption and economic growth. In Garo Hills region, some engineers stayed throughout their services till retirement.
- iii. Functioning of Regional Ombudsman for Garo Hills Region: It was suggested that the functioning of regional ombudsman in Tura be started at the earliest to look into the grievances of the consumers and to pass such orders to the corporation to rectify them. It was also informed that the major challenges in Garo Hills region is replacement of transformers which are out of service takes months. Hence, it is opined that the corporation should take necessary steps to rectify this issue.

- iv. Drawing of H.T. power lines: It was observed that in areas like Tura A-dinggre (Chandmari), Ringrey, the HT lines has been drawn without providing any guard wire for public safety thereby leaving the residents in danger.
- v. Removal of defective and faulty meters: MeECL should install a reliable meter with reputed company name throughout the state and removed all the faulty meters so that people can rely upon the meters and the corporation as a whole.
- vi. Enhancement or revision of power tariff for FY 2023-24 by DISCOM: It was suggested that a public hearing should be conducted in every district head quarter before enhancing the tariff and in case of any tariff hike by the Commission it should not be more than 7% from the existing tariff.
- vii. Bill payment: It is requested that the DISCOM should allow online payment of bill in order to reduce corruption and enhance productivity.

**2. Shri. Shyam Sunder Agarwal, CMD (Pioneer Carbide Pvt. Ltd.).**

The Member pointed out that the loss on the utility is mainly because of two factors one is the sale of surplus power at very lower rate and the other is the AT&C loss. It was observed that the Power Purchase of MePDCL as per the audited account for the FY 2020-21 is to a tune of 2522.52 MU for which the sale to Ferro Alloy Consumers is 424.95MU, sale to other industries is 191.68 MU and sale to other consumers is 709.82MU totalling to a sum of 1326.45 MU which is 52.81% of the total power purchase and the balance surplus energy of 594. 94 MU is being sold at the rate of Rs. 1.42 per unit as against average power purchase cost of Rs. 4.09 per unit.

Hence, it was opined that in order to avoid the sale of surplus power at a very lower rate, the utility needs to promote load factor based tariff to the bulk consumers of the state with penal and bonus clauses to reduce AT&C losses.

Secondly, the T&D loss needs to be monitored through energy audit by an independent agency for all the three utilities separately i.e; Generation, Transmission and Distribution. Further, MeECL being the

Guardian of the three utilities, should strive to install feeder wise smart ABT meters for all major consumers and sub-stations with online live data kWh units of injection meter and consumption meter in each feeder. It was also suggested that the total substation wise losses should be published online on monthly basis to initiate time bound corrective measures for reducing the losses.

Thirdly, it was observed that the fixed charges for NTPC is approximately to a tune of Rs. 198 Cr each year, despite no power is drawn from this station. Hence, it was suggested that effort should be made by the utility to cancel the PPA with NTPC as this is a burden to the consumers.

The member concluded by opining that MeECL should form a State Consumer Advisory Committee for better suggestions from Consumers, for better coordination and better results.

**3. Shri. F.B. Chyne, CEO, Shillong Municipal.**

The member stated that all the public lightings will be replaced by LED fittings and this will reduce the maintenance cost. Hence, it is suggested that the Commission while fixing the tariff for public lightings may do away with the maintenance charges or the utility may impose maintenance charges when the need arise.

**4. Shri. B.L. Lawai, SE (PHE) Government of Meghalaya.**

The member pointed out that the tariff proposed by DISCOM at a 30% hike is very high as PHE department is not a profit making company. Therefore, it is requested that the Commission may look into this matter and examined properly before finalizing the tariff.

**Special invitees:**

**5. Shri. Sanjay Goyal, CMD MeECL.**

CMD MeECL, has clarified on the issues raised by members of the advisory regarding unelectrified villages and informed the members that SAUBHAGYA scheme has been projected by the Government of India and the fund requirements got curtailed which have led to non covering of some villages under this scheme. However, it was informed that a new scheme called the Revamped Distribution Sector Scheme (RDSS) is under tendering process and it is expected that under this scheme the major issues which have been raised will be solved.

In regards to replacement of transformer which are out of service, it was informed that the Corporation has been able to replace around 530 Nos. of transformer within 3 months span and the delay in replacement is due to non availability of a full fledged workshop in Garo Hills for which most of the materials are being transported from Khasi Hills. However, it is expected that in the near future a full fledged store will be set up in Garo Hills.

#### **6. Chairman CGRF, Shillong.**

The Chairman CGRF, Shillong Shri. Timothy Passah pointed out that in the proposal of DISCOM for meeting its Annual Revenue Requirement (ARR) the existing tariff needs to be enhanced by around 80 %, however DISCOM has proposed a tariff hike of only 30%. Therefore, It was being questioned as to how the DISCOM will recover the balance gap.

Secondly, it was mentioned that under IPDS it is mandatory to form a committee at every district to look after the implementation of schemes.

Thirdly, regarding outstanding dues from the consumer it was being raised as to how the utilities will recover this amount.

#### **7. Chairman CGRF, Tura.**

The Chairman CGRF Tura Shri. Balnang. M. Sangma, briefed about the news items which has appeared in Shillong Times dated 5.02.2023 and 19.02.2023 on the allegation that some of the villages in Garo Hills are unelectrified and secondly these unelectrified household are being served with an electricity bill. The CMD, MeECL requested that a report on the aforesaid may be shared for action by the corporation.

Summing up the discussion Legal Consultant of MSERC Shri. Roland Keishing expressed his profound gratitude to the Hon'ble Members present, for their valuable suggestions and submissions and assured that these would be kept in view, while finalizing the Tariff for the financial year 2023-24. He also thanked Shri. Ronald Rikman Sangma for raising the issue in the last advisory meeting for setting up of CGRF at Tura and informed the members that this action has been taken by the Commission and at present both CGRF Shillong and Tura are functioning. It was also suggested to the Chairman CGRF Shillong and Tura to consider the grievances made by the consumers and try to

dispose the case at the earliest. It was also opined that the consumers may approach the Ombudsman of the Commission in case no action is being taken by the CGRF.

The State Advisory committee meeting ended with a vote of thanks.

**Sd/-**

Shri. E.Slong  
Secretary, MSERC