

**BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY
COMMISSION, SHILLONG**

IN THE MATTER OF:

Petition filed by the Meghalaya Power Distribution Corporation Limited (**MePDCL**) for MYT of Distribution Business for FY 2018-19 to 2020-21 and Determination of Tariff for FY 2018-19.

AND IN THE MATTER OF:

Meghalaya Power Distribution Corporation Ltd

Lum Jingshai, Short Round Road,
Shillong - 793 001, Meghalaya

....Petitioner

Versus

Byrnihat Industries Association

13th Mile, Tamulikuchi, Byrnihat,
RiBhoi District, Nangpoh,
Meghalaya – 793101

.... Objector

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Place: Shillong
Date: 22.01.2018

Filed by:

Byrnihat Industries Association
13th Mile, Tamulikuchi, Byrnihat,
Ri Bhoi District, Nongpoh,
Meghalaya – 793101
Phone: 08584075192

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**SUGGESTIONS/ OBJECTIONS ON BEHALF OF BYRNIHAT INDUSTRIES
ASSOCIATION**

MOST RESPECTFULLY SHOWETH:

1. In pursuance of the admission order and the public notice issued pursuant thereto inviting objections and representations from the stake-holders in the State of Meghalaya, the Objector/ Respondent herein, M/s Byrnihat Industries Association (“**BIA**”) is filing the present objections to the petition filed by the Meghalaya Power Distribution Corporation Limited (hereinafter referred to as

‘Petitioner/ **MePDCL**’) seeking Multi-Year Tariff (MYT) of Distribution Business for FY 2018-19 to 2020-21 and Determination of Tariff for FY 2018-19. MePDCL has filed the present tariff Petition under Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 (hereinafter referred to as ‘**MYT Regulations**’).

2. The Objector is an association of industrial consumers in the Brynihat area in the State of Meghalaya. The industries have been set up in the State of Meghalaya based on the representations made on the sustained supply of electricity at competitive prices. The cost of electricity has however increased substantially over the years which have made the operation of industries in the State more and more unviable. It is submitted that the viability and sustainability of the industries is essential also for the economic development of the State. In order to submit a comprehensive and detailed analysis of the instant Petition, the Objector has worked with expert consultant, Mercados. A copy of the report prepared by the expert consultant, Mercados, is annexed as **Annexure-1**.

3. For sake of convenience and ease of reference the objections have been divided into following major submissions:

- I. Principles for determination of MYT for 2018-2019 to 2020-21
- II. Aspects related to Voltage Wise Cost of Service
- III. Aspects related to Cross Subsidy Surcharge & Additional surcharge
- IV. Separate tariff category for Ferro-Alloys Industry

V. Non-compliance with past directives issued by this Hon'ble
Commission

I. Determination of MYT for FY 2018-19 to FY 2020-21

a. Annual Accounts

4. The Petitioner in its submissions has stated that it is filing ARR for FY 2018-19 to 2020-21, based on actuals of FY 2015-16 and provisional of FY 2016-17, along with the approved business plan for the control period. The Petitioner has further submitted that it is using the Business Plan for FY 2018-21 along with the audited account statements of FY 2015-16 and provisional statement of accounts for FY 2016-17 for determination of ARR for the future period.
5. However, it is relevant to note that the Petitioner has not provided the Annual Accounts of FY 2016-17. The Petitioner has clearly stated that even though the provisional account of FY 2016-17 are finalized, the Petitioner's audited account for FY 2016-17 along with audited accounts of MeECL for FY 2015-16 are still not available. It is submitted that the issue of non-submission of audited accounts by the Petitioner has been raised by BIA multiple times. The Hon'ble Appellate Tribunal for Electricity ("Aptel") in Appeal No. 121 of 2010, *Shri Rama Shankar Awasthi v. UPERC and Ors.*, while discussing the importance of audited accounts observed:

"The audited accounts for the previous year are not only required for the true up but also needed for making realistic estimate of expenditure required for determination of ARR for the ensuing year. The ARR/ Tariff determination for