

M.S.E.R.C

Meghalaya State Electricity Regulatory Commission

BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION, SHILLONG.

TARIFF (Transmission) APPLICATION NO. 2/2007

In the matter of

The Meghalaya State Electricity Board

And

An Application for determination of Transmission Tariff for 2007-08.

Present: Mr. Vinay Kohli
Chairman, Meghalaya State Electricity Regulatory Commission

Mr. J.B. Poon,
Chief Engineer, MeSEB (the Petitioner) and others of the Board.

Date of hearing : 27.02.2008.

Date of order : 28. 02. 2008

ORDER

1. The Meghalaya State Electricity Board filed an application for determination of the Transmission Tariff for 2007-08 before the Meghalaya State Electricity Regulatory Commission as required under the provisions of the Act. The application along with additional information sought by the Commission proposed an Annual Revenue Requirement (ARR) of Rs. 29.82 crores (Annexure-I) was taken on record on 16.10.07. The Tariff proposal was also published in local newspapers seeking views and comments from the public within the time specified. However, no response as such was received.

2. On 27. 02. 2008 a public hearing was held. The Board clarified their methodology for apportioning costs. They stated that they did not have data for the depreciated value of assets and could only provide a notional figure for various elements of cost they intend recovering through the ARR. The principal reason for this is the fact that the activity of transmission has not been segregated in the Board and separate accounting has not been introduced.
3. It is seen that the claimed ARR for 2007-08 amounting to Rs.29.82 crores covers the repair and maintenance cost of the existing transmission infrastructure, as well as administration costs, debt charges, etc. On 'Return on Equity', instead of Rs.4.79 crores, the prescribed debt-equity norm reduces the accrual to Rs.2.90 crores. The ARR is therefore re-determined and is now fixed as Rs27.93 crores. Based on this ARR and after adopting the projected performance figures provided by the Board, the transmission tariff for the year 2007-08 is fixed at 20.05P per unit. This tariff will be applied with immediate effect.

(V. Kohli)

(ANNEXURE-I)

Projected Annual Revenue Requirement (ARR) of transmission.

Sl. No.	Items	2007-08 (Projection)
1.	Repair and maintenance	1.00
2.	Employee cost	17.20
3.	Administrative and general expense	1.09
4.	Depreciation	1.72
5.	Interest and finance charges	6.55
6.	Provision for bad and doubtful debts	-
	Total	27.56
7.	Less other income	2.53
8.	Add Return on Equity	4.79
9.	Net Annual Revenue Requirement (ARR)	29.82