

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

**PETITION**  
**FOR**  
**REVISION OF TARIFF FOR FY 2023-24**

**FILED BY**



**MEGHALAYA POWER DISTRIBUTION CORPORATION LTD.**  
**LumJingshai, Short Round Road, Shillong - 793 001**

**BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION**

At its office at Lower Lachumiere, Shillong – 793001

FILE / PETITION NO.....

IN THE MATTER OF

REVISION OF TARIFF FOR FY 2023-24 UNDER THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2014 AND UNDER SECTIONS 62 & 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED, LUMJINGSHAI, SHILLONG – 793001, MEGHALAYA

**PETITIONER**

*The Petitioner respectfully submits as under:*

1. In exercising its powers conferred under the section 131 and 133 of the Electricity Act 2003, the State Government of Meghalaya notified “The Meghalaya Power Sector Reforms Transfer Scheme 2010” on 31st March 2010 leading to restructuring and unbundling of erstwhile Meghalaya State Electricity Board (MeSEB) into four entities namely:
  - a. **Meghalaya Energy Corporation Limited (MeECL):** the Holding Company;
  - b. **Meghalaya Power Distribution Corporation Limited (MePDCL):** the Distribution Utility;
  - c. **Meghalaya Power Generation Corporation Limited (MePGCL):** the Generation Utility;
  - d. **Meghalaya Power Transmission Corporation Limited (MePTCL):** the Transmission Utility.
2. However, the holding company - MeECL carried out the functions of distribution, generation and transmission utilities from 1st April 2010 onwards, even after restructuring. Therefore, through notification dated 31st March 2012, State Government notified an amendment to The Power Sector Reforms Transfer Scheme leading to effective unbundling of MeECL into MeECL (Holding Company), MePDCL (Distribution Utility), MePGCL (Generation utility) and MePTCL (Transmission Utility) from 1st April 2012.
3. On 23rd December 2013, the Government of Meghalaya has issued the latest transfer scheme notification thereby notifying the Assets and Liabilities as on 1st April 2010 to be vested in MeECL. Subsequently, the Government of Meghalaya has notified the 4<sup>th</sup> Amendment to the Notified Transfer Scheme dated 31st March 2010 on 29th April 2015, wherein the opening balances of all the four entities namely, MePGCL, MePTCL, MePDCL and MeECL as on 1st April 2012 have been notified.
4. MePDCL has begun segregated commercial operations as an independent entity from 1st April 2013.
5. The expenses of the holding company, MeECL is apportioned equally among the generation, transmission and distribution utilities since the MeECL is an administrative setup for all the three subsidiaries and undertakes common corporate functions of the three companies.
6. The Meghalaya State Electricity Regulatory Commission (hereinafter referred to as “MSERC” or “the Hon’ble Commission”) is an independent statutory body constituted under the provisions of Part – X (Sections 76 to 109) of the Electricity Act (EA), 2003. The Hon’ble Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.

7. In exercise of its powers, MSERC had determined the Aggregate Revenue Requirement (ARR) for MePDCL and tariff for FY 2021-22 in its tariff order dated 25 March 2021, in accordance with the MSERC Tariff Regulations, 2014. The accounts for FY 2020-21 have been audited and the statutory audit reports are available with the Licensee. However, the C&AG has not submitted its reports in spite of reminders. After the Hon'ble Commission has amended the regulation 11.3, the Licensee has filed the true up for FY 2020-21.
8. Under Meghalaya State Electricity Regulatory Commission i.e. MSERC (Multi Year Tariff) Regulations, 2014, MePDCL filed MYT petition for Annual Revenue Requirement for the period of FY 2021-22 to FY 2023-24. In respect to the said petition MYT order was issued by Hon'ble Commission on 25<sup>th</sup> March 2021.
9. The Licensee files this petition for revision of tariff for FY 2023-24 based on approved ARR of FY 2023-24 in order dated 25 March 2021 and pending adjustment of true up of previous years filed by the utilities. Before the issue of next tariff order, any further orders from Hon'ble Commission on the gaps of past years for subsidiaries of MeECL shall be considered as applicable for adjustment in the Net ARR and determination of tariff for FY 2023-24.
10. The Board of Directors of MePDCL have accorded approval for filing of this petition and authorized the undersigned to file the petition accordingly. The copy of the Board's resolution is hereby enclosed as **Annexure-A**.
11. The applicant, therefore, humbly prays before the Hon'ble Commission to pass appropriate order on the following:
  - a) Revision of Tariff for FY 2023-24 based on revision of approved ARR for FY 2023-24 and gaps of previous years
  - b) To pass such orders, as Hon'ble Commission may deem fit and proper and necessary in view of the facts and circumstances of the case.
  - c) To condone any inadvertent omissions, errors & shortcomings and permit the applicant to add/change/modify/alter this filing and make further submissions as required.



(S.S. Kharmih)

Superintending Engineer (R.A)

Superintending Engineer

Meghalaya Power Distribution

Corporation Limited

For and on behalf of

Meghalaya Power Distribution Corporation Ltd

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## Abbreviations

ARR	Aggregate Revenue Requirement
FY	Financial Year
GoM	Government of Meghalaya
kWh	Kilo Watt Hour
KV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
MSERC	Meghalaya State Electricity Regulatory Commission
MU	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
FPPPA	Fuel and Power Purchase Price Adjustment
MeECL	Meghalaya Energy Corporation Limited
MePDCL	Meghalaya Power Distribution Corporation Limited
MePTCL	Meghalaya Power Transmission Corporation Limited
MePGCL	Meghalaya Power Generation Corporation Limited
MYT Regulations 2014	MSERC (Multi Year Tariff) Regulation, 2014

## 1 Introduction

The Licensee is filing the petition for revision of tariff for FY 2023-24 based on ARR of FY 2023-24 approved by the Hon'ble Commission in its order dated 25 March 2021 and pending adjustment of true up of previous years and subsequent review petitions filed by the utilities.

### 1.1 Provisions of Law for Revision of Tariff

- 1.1.1 The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15<sup>th</sup> September 2014. It is submitted that the Regulation 1.4 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) regulations, 2014 since amended, states as under:

*"1.4 These Regulations shall be applicable for the determination of tariff in all cases covered under these regulations effective from April 1, 2015 and onwards up to 31<sup>st</sup> March 2018 and also for the next MYT control period beginning from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2021"*

Further, it is submitted that Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) regulations, 2014 since amended via notification dated 18 June 2020, states as under:

*"The applicability of these Regulations is hereby extended for a further period of 3 years with effect from 1.04.2021 to 31.03.2024 onwards".*

- 1.1.2 Regulation 6) (b) of the said Regulations lays down the general guiding principles for revision of tariff and the provisions of the said Regulations are reproduced below for reference:

#### ***"6 Accounting statement and filing under MYT***

*b) From the first year of the Control Period and onwards, the Petition shall comprise of:*

- i. Truing Up for previous years under Meghalaya State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2011 in accordance with these Regulations;*
- ii. Revenue from the sale of power at existing tariffs and charges for the ensuing year;*
- iii. Revenue gap for the ensuing year calculated based on ARR approved in the Tariff Order or MYT Order and truing up for the previous year;*
- iv. Application for revision of tariff for the ensuing year"*

- 1.1.3 Section 61 & Section 62(c) & (d) of Electricity Act 2003 empower the Hon'ble Commission to determine tariff for wheeling and retail sale of electricity for the Distribution Licensee.

### 1.2 Submissions before the Hon'ble Commission

- 1.2.1 MePDCL hereby submits the petition under section 61, 62(c) & 62(d) of the Electricity Act, 2003, MSERC Terms (Multi Year Tariff) Regulations, 2014 for approval of revision of tariff for FY 2022-23

## 2 Determination of Net ARR for FY 2023-24

### 2.1 Approved ARR for FY 2023-24

- 2.1.1 The Hon'ble Commission in its order dated 25 March 2021 had approved the ARR of Rs 1013.39 Cr which is given below:

**Table 1: Approved ARR for FY 2023-24**

Particulars	In Rs Cr
Power Purchase cost	1150.88
Transmission Charges (PGCIL)	71.80
Transmission Charges (MePTCL)	57.81
Employee Expenses	174.19
Repair & Maintenance Expenses	6.67
Administration & General Expenses	13.02
Depreciation	0.00
Interest and Finance charges	9.82
Interest on working capital	22.68
Return on Equity	0.00
Bad & Doubtful Debt	0.00
<b>Gross Annual Revenue Requirement (ARR)</b>	<b>1506.87</b>
Less: Non-Tariff Income and Other Income	106.25
Less: Sale of Surplus Power	387.23
<b>Net ARR</b>	<b>1013.39</b>

- 2.1.2 However, MePDCL prays before the Hon'ble Commission to consider the following points on the above approved ARR:

#### 2.1.2.1 Power Purchase cost

The table depicting the approved power purchase cost is reproduced hereunder

**Table 2: Approved Power Purchase Cost for FY 2023-24**

Sl. No	Source	Energy received (MU)	Variable Cost per Unit (Rs/KWH)	Total Variable Cost	Total Fixed Cost	Supplementary Amount	Total Cost	Unit Cost (Rs. / KWH)
<b>1</b>	<b>MePGCL</b>	<b>1156.16</b>					<b>312.08</b>	
	a) Umiam Stage-I HEP	114.61	0.78	8.98	8.98		17.96	1.57
	b) Umiam Stage-II HEP	45.45	1.10	4.99	4.99		9.98	2.2
	c) Umiam Stage-III HEP	0	1.09	0	14.97		14.97	
	d) Umiam Stage-IV HEP	203.9	0.73	14.97	14.97		29.93	1.47
	e) Sonapani	4.94	0.76	0.37	0.37		0.75	1.51
	f) Umtru HEP	0	0	0	0		0	
	g) Myntdu-Leishka HEP	478.71	2.08	99.79	99.79		199.59	4.17



	h) New Umtru HEP	231.48	2.47	57.15	57.14		114.29	4.94
	i) Lakroh HEP	10.87	2.14	2.32	2.32		4.64	
	j) Ganol HEP	66.2	2.3	15.19	15.19		30.39	4.59
	m) Auxiliary Consumption							
<b>2</b>	<b>NTPC</b>	<b>589.50</b>					<b>426.64</b>	
	a) Farakka	0					0	
	b) Kahalgaon I	0					0	
	c) Khalgaon II	0					0	
	d) Talcher	0					0	
	e) Bongaigoan	589.5	4.18	246.49	180.15		426.64	7.23
<b>3</b>	<b>NHPC</b>							
	a) Loktak HEP	40.28	2.08	8.37	8.37		16.74	4.16
<b>4</b>	<b>NEEPCO</b>	<b>723.70</b>					<b>220.31</b>	
	a) Kopili Stage-I	82.23	0.71	5.82	5.92		11.74	1.43
	b) Kopili Stage-II	8.48	1.03	0.88	0.59		1.47	1.73
	c) Khandong HEP	17.53	1.01	1.78	2.44		4.21	2.40
	d) Rangandai HEP	131.25	1.24	16.30	21.89		38.18	2.91
	e) Doyang HEP	23.65	3.32	7.85	7.71		15.56	6.58
	f) AGBPP	187.65	0	0	46.66		46.66	2.49
	g) AGTPP C-Cycle	119	3.05	36.26	21.06		57.32	4.82
	h) Pare	42.92	6.08	26.08	0.04		26.13	6.09
	i) Kameng	45.99	4.14				19.04	4.14
	Free Power	65.00						
<b>5</b>	<b>OTPC</b>							
	a) Pallatana	436.79	1.95	85.36	75.95		<b>161.31</b>	3.7
<b>6</b>	<b>Solar Sources</b>	<b>39.42</b>					<b>13.80</b>	3.5
	<b>Total</b>	<b>2985.85</b>					<b>1150.88</b>	<b>3.85</b>

From the above Table it is seen that there are some anomalies as mentioned below:-

(a) The summation of total cost is wrong because the Sub total for MePGCL is shown as 312.08 instead of 422.50. However, vide Order dated 25.03.2021 in Case No. 02/2021, the Hon'ble Commission has approved the ARR for MePGCL for FY 2023-24 as Rs 312.08 Crores. This approved ARR did not include the ARR of Ganol Project. Therefore, the ARR of MePGCL should be revised to (Rs 312.08 cr+ 30.39 cr) i.e. Rs 342.47 cr. This arithmetical error is liable to be corrected in exercise of revisionary jurisdiction by this Hon'ble Commission.

(b) Against AGBPP, the Energy received is shown as 187.65 MU. However, no Variable cost is assigned to this energy. It seems that the Hon'ble Commission has considered this based on the original petition submitted by MePDCL where no variable rate and variable cost were shown. It may be noted that subsequently, based on the clarification sought by the Hon'ble Commission vide letter No. MSERC/MePDCL/ letter/2021/004 dated 11/02/2021, MePDCL had submitted details of the revised power purchase cost that included the free power from NEEPCO, on 12-02-2021 (through email as directed). In this clarification, for AGBPP the variable rate was proposed as Rs 2.60 per unit and Rs 48.70 as variable cost respectively for FY 2023-24. It may be noted that this free power was considered by the Hon'ble Commission but the variable cost for AGBPP was not considered. Therefore, there is apparently an inadvertent omission in the order of the Hon'ble Commission which is liable to be revised.

MePDCL therefore, requests the Hon'ble Commission to allow Rs. 48.70 Cr as variable cost of AGBPP in the FY 2023-24 and to be included as part of the power purchase cost.

c) Based on the above (a) and (b) above the power purchase cost proposed is shown below:-

**Table 3: Revised Power Purchase Cost proposed for FY 2023-24**

Sl. No	Source	Energy received (MU)	Variable Cost per Unit (Rs/KWH)	Total Variable Cost	Total Fixed Cost	Supplementary Amount	Total Cost	Unit Cost (Rs. / KWH)
<b>1</b>	<b>MePGCL</b>	<b>1156.16</b>					<b>342.47</b>	
	a) Umiam Stage-I HEP	114.61	0.78	8.98	8.98		17.96	1.57
	b) Umiam Stage-II HEP	45.45	1.10	4.99	4.99		9.98	2.2
	c) Umiam Stage-III HEP	0	1.09	0	14.97		14.97	
	d) Umiam Stage-IV HEP	203.9	0.73	14.97	14.97		29.93	1.47
	e) Sonapani	4.94	0.76	0.37	0.37		0.75	1.51
	f) Umtru HEP	0	0	0	0		0	
	g) Myntdu-Leishka HEP	478.71	2.08	99.79	99.79		199.59	4.17
	h) New Umtru HEP	231.48	2.47	57.15	57.14		114.29	4.94
	i) Lakroh HEP	10.87	2.14	2.32	2.32		4.64	
	j) Ganol HEP	66.2	2.3	15.19	15.19		30.39	4.59
	m) Auxiliary Consumption							
<b>2</b>	<b>NTPC</b>	<b>589.50</b>					<b>426.64</b>	
	a) Farakka	0					0	
	b) Kahalgaon I	0					0	
	c) Khalgaon II	0					0	
	d) Talcher	0					0	
	e) Bongaigoan	589.5	4.18	246.49	180.15		426.64	7.23
<b>3</b>	<b>NHPC</b>							
	a) Loktak HEP	40.28	2.08	8.37	8.37		16.74	4.16
<b>4</b>	<b>NEEPCO</b>	<b>723.70</b>					<b>269.01</b>	
	a) Kopili Stage-I	82.23	0.71	5.82	5.92		11.74	1.43
	b) Kopili Stage-II	8.48	1.03	0.88	0.59		1.47	1.73
	c) Khandong HEP	17.53	1.01	1.78	2.44		4.21	2.40
	d) Rangandai HEP	131.25	1.24	16.30	21.89		38.18	2.91
	e) Doyang HEP	23.65	3.32	7.85	7.71		15.56	6.58
	f) AGBPP	187.65	2.60	48.70	46.66		95.36	5.08
	g) AGTPP C-Cycle	119	3.05	36.26	21.06		57.32	4.82
	h) Pare	42.92	6.08	26.08	0.04		26.13	6.09
	i) Kameng	45.99	4.14				19.04	4.14
	Free Power	65.00						
<b>5</b>	<b>OTPC</b>							
	a) Pallatana	436.79	1.95	85.36	75.95		161.31	3.7
<b>6</b>	<b>Solar Sources</b>	<b>39.42</b>					<b>13.80</b>	<b>3.5</b>
	<b>Total</b>	<b>2985.85</b>					<b>1229.97</b>	<b>4.12</b>

MePDCL requests the Hon'ble Commission to allow Rs 1229.97 Cr as the power purchase cost for FY 2023-24.

### 2.1.2.2 Transmission Charges.

The Hon'ble Commission has approved the Transmission charges of MePTCL as Rs 57.81 Cr. However, vide Order dated 25.03.2021 in Case No. 03/2021, the Hon'ble Commission has approved the ARR for MePTCL for FY 2023-24 as Rs 92.38 Crores stating

***“Commission Approves ARR for 3rd MYT Control Period at Rs.50.24 Crore, Rs.85.17 Crore and Rs.92.38 Crore for FY 2021-22, FY 2022-23 and FY 2023-24 respectively.”***

Therefore, MePDCL requests the Hon'ble Commission to revise the Transmission charges of MePTCL from Rs 57.81 Cr to Rs 92.38 Cr.

### 2.1.2.3 Employee Expenses

The approved Employee Expenses by the Hon'ble Commission is reproduced below:

Quote

**Table 5.37 : Approved Net Employee Expense of MePDCL for Control period (Rs. Crore)**

<b>Particulars</b>	<b>FY 2018-19 (Actual)</b>	<b>FY 2019-20 (Provisional)</b>	<b>FY 2020-21 (Estimated)</b>	<b>FY 2021-22 (Estimated)</b>	<b>FY 2022-23 (Estimated)</b>	<b>FY 2023-24 (Estimated)</b>
MePDCL Employee Costs	97.20	111.22	134.19	144.79	155.91	167.55
Employee Expenses of MeECL Apportioned( 1/3 <sup>rd</sup> of Table 9)	5.07	5.45	5.85	6.09	6.36	6.64
<b>Net Total</b>	<b>102.27</b>	<b>116.67</b>	<b>140.04</b>	<b>150.88</b>	<b>162.27</b>	<b>174.19</b>

***Commission considers Employee expenses at Rs.150.88 Crore, Rs.162.27 Crore and Rs.174.19 Crore for 3<sup>rd</sup> MYT Control period FY 2021-22, FY 2022-23 and FY 2023-24 respectively.***

Unquote

While approving the Employee Expense of MePDCL, the Hon'ble Commission has disallowed the apportionment of holding expenses of MeECL stating:

Quote

*MePDCL has projected apportionment of holding expenses of MeECL in the table no.8 of the petition for employee expenses at Rs.48.60 Crore for FY 2019-20.*

*It is to be stated that any transaction related to the employee benefits made under provisions schedule (note) shall not be considered for determination of Tariff.*

*The Licensee is further informed that commission had notified in the Tariff Order for FY 2011-12 and FY 2012-13 that as per the Govt. of Meghalaya notification in connection with the reforms and re organisation of MeSEB, directed the MeECL to get completed the exercise of actuary and start funding the **pension trust** so that the liabilities towards pension etc., shall be discharged from the Trust fund and not from the Tariffs.*

Unquote.

(a) The amount Rs.48.60 Crore for FY 2019-20 mentioned by the Hon'ble Commission, includes not only terminal benefits but also salary of the current employees etc. The break-up of this amount is shown below:

**Table 4: Apportionment of Employee Benefit Expenses (from Holding Company) FY 2019-20**

Particulars	Amount in Cr
(a) Salaries and wages	14.05
(b) Staff welfare expenses, insurance etc.	0.01
(c) Contribution to CPS (Corporation Contribution)	0.08
(d) DCRG, Pension, Pension contribution to Deputations	34.46
<b>Total</b>	<b>48.60</b>

Apportionment of Employee Benefit Expenses (from Holding Company) of Rs. 48.60 Cr in Note 27 of SOA is to be read with Note 27.1 and subsequently the splitting is made as per entry.

The observation made by Hon'ble Commission therefore, relates only with the Sl (d) above. In this context, MePDCL requests the Hon'ble Commission to allow the cost of Sl (a), (b) and (c) above as these are legitimate cost of the existing employees. It is also necessary to state here that the employee costs actually incurred cannot be excluded from the purview of assessment of tariff, as these are costs that have been actually incurred. As such, being actual expenses, these may now be included by way of the present revision.

(b) The projection of Apportionment of MeECL is shown below:

**Table 5 : Proposed Employee Expense (Apportionment of MEeCL) for Control period**  
(Rs. Crore)

Particulars	FY 2018-19 (Actual)	FY 2019-20 (Provisional)	FY 2020-21 (Estimate d)	FY 2021-22 (Estimate d)	FY 2022-23 (Estimate d)	FY 2023-24 (Estimate d)
(a) Salaries and wages	11.87	14.05	19.29	19.87	20.47	21.08
(b) Staff welfare expenses, insurance etc.	0.01	0.01	0.01	0.01	0.01	0.01
(c) Contribution to CPS (Corporation Contribution)	0.07	0.08	0.11	0.11	0.11	0.11
(d) DCRG, Pension, Pension contribution to Deputations	33.52	34.46	47.31	48.73	50.19	51.70
<b>Total</b>	<b>45.47</b>	<b>48.60</b>	<b>66.73</b>	<b>68.73</b>	<b>70.79</b>	<b>72.92</b>

(c) Based on the above, the proposed Employee Expense for FY 2023-24 is given below:-

**Table 6 : Proposed Net Employee Expense of MePDCL for FY 2023-24 (Rs. Crore)**

Particulars	FY 2023-24 (Estimated)
MePDCL Employee Costs	167.75
Employee Expenses of MeECL Apportioned( 1/3 <sup>rd</sup> )	6.64
<b>Net Total</b>	<b>174.39</b>
Add Apportionment of MeECL	
(a) Salaries and wages	21.08
(b) Staff welfare expenses, insurance etc.	0.01
(c) Contribution to CPS (Corporation Contribution)	0.11
Sub Total	<b>21.20</b>
<b>Total</b>	<b>195.59</b>

MePDCL requests the Hon'ble Commission to allow Rs 195.59 Cr as Employee Expense for FY 2023-24.

#### 2.1.2.4 T&D Loss and AT&C Loss.

The Hon'ble Commission vide Order dated 25.03.2021 in Case No. 04/2021, has set targets for T&D Loss and AT&C loss for FY 2023-24 as 12% and 14.20%. This implies that Collection Efficiency is about 97.5%.

As per the actuals in the true up orders for FY 2018-19 and FY 2019-20, and as per the proposal submitted by MePDCL for trueing up of FY 2020-21. the T&D loss, Collection Efficiency and AT&C loss are as mentioned below:

Financial Year	T&D Loss %	Collection Efficiency %	AT&C Loss%
2018-19	37.27	100	37.27
2019-20	29.88	96.87	32.07
2020-21*	26.75	100	26.75

\* As per MePDCL petition for trueing up of FY 2020-21.

Regulation 83 of MSERC MYT Regulations 2014 prescribes that when AT&C loss is above 30%, the reduction should be 3% and if the AT&C loss is less than 30%, the reduction should be 1.5%. Based on this and since AT&C loss is 26.75% for FY 2020-21, it is proposed to provisionally fix the AT&C loss for FY 2023-24 as 22.25% subject to the actuals of FY 2022-23.

If we consider the above three years FY 2018-19 to FY 2020-21, the average Collection efficiency was 98.96%. This is higher than the 97.5% derived from the order dated 25.03.2021 in Case No.04/2021. It is therefore, proposed that the Collection efficiency be provisionally fix at 98.96% for FY 2023-24.

Considering the Collection Efficiency of 98.96% and AT&C loss of 22.25%, the T&D loss for FY 2023-24 works out as 21.43%.

MePDCL requests the Hon'ble Commission to **provisionally fix** 21.43%, 98.96% and 22.25% as T&D loss, Collection efficiency and AT&C loss respectively for FY 2023-24.

#### 2.1.2.5 Category wise number of Consumers, Connected Load and Energy sales

MePDCL had terminated the MOU with the BIA for supplying power under the special tariff. The supply of power was discontinued from 27 January 2022. Therefore, the category wise number of consumers, connected load and energy sales for FY 2023-24 are now as approved in the Business Plan for the Control Period from FY 2021-22 to FY 2023-24 vide Order dated 09.10.2020 in Case No. 16/2020.

MePDCL therefore, requests the Hon'ble Commission to consider 677323, 1164.85 MVA and 1491.96 MU as the number of consumers, connected load and energy sales respectively for FY 2023-24. It is also noteworthy that the Division Bench of the Hon'ble High Court of Meghalaya vide its judgment dated 05.09.2022 has already confirmed the termination of the MoU and therefore, the special tariff rates are not applicable.

#### 2.1.2.4 Energy Balance.

Based on the T&D Loss of 21.43% proposed above and energy sales of 1491.96 MU approved in the Business plan, the Energy balance is shown below:

**Table 7: Computation of Energy Balance for FY 2023-24**

Sl. No.	Particulars	Calculation	Approved in Case No 04/2021 for FY 2023-24	Proposed for 2023-24
1	Energy purchase from Eastern Region (ER)	A	0	0
2	Inter-State Transmission Loss in ER	B	1.80%	1.80%

3	Net Power purchased from ER	$C=A(1-B\%)$	0	0
4	Power purchase from CGS including Pallatana North Eastern Region (NER)	D	1790.27	1790.27
5	Total Power at NER	$E=C+D$	1790.27	1790.27
6	Inter-State Transmission Loss in NER	F	3%	3%
7	Net Power available at state bus from external sources on long term	$G=E*(1-F\%)$	1736.56	1736.56
8	Power purchase from State generating stations within the state	H	1195.58	1195.58
9	Power purchase from other sources (both from outside & within the State)	I	0	0
10	Net power available at state bus for sale of power within the state	$J=G+H+I$	2932.14	2932.14
11	Total power sold	K	1627.37	1491.96
12	<b>Distribution Losses (%)</b>	L	12.00%	21.43%
13	T&D Losses in terms of MU	$M = N - K$	221.91	406.93
14	<b>Energy Requirement for sale by Discom within Discom</b>	$N = K/(1-L)$	1849.28	1898.89
15	<b>Energy Requirement for sale within state at state bus</b>	$O = N/(1-4\%)$	1926.34	1978.01
16	<b>Surplus Energy at state bus</b>	$P = J-O$	1005.80	954.13

#### 2.1.2.5 Revenue from Sale of Surplus power

The Hon'ble Commission has approved the revenue from sale of surplus power as indicated below:

<b>Particulars</b>	<b>FY 2023-24</b>
Surplus Energy Crossed Up (MU)	1005.80
Unit rate (= average cost of power purchase) (Rs/Unit)	3.85
Revenue from Sale of Surplus power (INR Cr)	<b>387.23</b>

Based on the revised Power purchase cost and revised surplus power above, the Revenue from Sale of Surplus power is given below:

**Table 8: Revised Revenue from Sale of Surplus power proposed for FY 2023-24**

<b>Particulars</b>	<b>FY 2023-24</b>
Surplus Energy Crossed Up (MU)	954.13
Unit rate (= average cost of power purchase) (Rs/Unit)	4.12
Revenue from Sale of Surplus power (INR Cr)	<b>393.10</b>

MePDCL requests the Hon'ble Commission to allow Rs 393.10 Cr as the Revenue from sale of surplus power for FY 2023-24.

#### 2.1.2.6 Repairs and Maintenance Expenses

MePDCL has submitted an Additional business plan vide letter No. MePDCL/SE (RA)/FY2023-24/2022/3 Dated 10 November, 2022. In this additional business plan, MePDCL has proposed to install prepaid smart meters and the cost of which is to be recovered through O&M. The detail funding is reproduced below:-

**Funding Pattern:**

*The project will be funded on TOTEX mode where Rs. 69.26 Crore will be funded by the Central Government and the remaining amount Rs 238.56 crores to be recovered from Tariff under O&M for a period of 10 years **subject to other conditions prescribed by the MoP.***

**Year wise additional recovery of the expenditure under O&M** (i.e over and above the normal O&M expenditure) **starting from FY 2023-24** tentatively will be about Rs 23.87 crores per year **subject to the discovery of cost through tenders.**

Since tendering process is yet to start, MePDCL proposes to recover Rs 23.87 crore as estimated in the Additional business plan for the FY 2023-24. This recovery is proposed to be given under the Head “**Repairs and Maintenance Expenses**” of this petition.

It may be noted that Hon’ble Commission has approved Rs 6.67 cr as Repairs and Maintenance expenses for FY 2023-24. Based on this additional cost, the Repair and maintenance expenses is proposed as follows:

**Table 9 : Proposed Repairs and Maintenance Expenses of MePDCL for FY 2023-24**

(Rs in Cr)

Particulars	FY 2023-24 (Estimated)
Approved <b>Repairs and Maintenance Expenses</b>	6.67
Recovery of Cost for Prepaid Smart Meters	23.87
<b>Total</b>	<b>30.54</b>

MePDCL requests the Hon’ble Commission to allow Rs 30.54 Cr as **Repairs and Maintenance Expenses** for FY 2023-24.

2.1.2.7 Based on the above, the proposed revised ARR for FY 2023-24 is given below:

**Table 10: Revised ARR proposed for FY 2023-24**

Particulars	In Rs Cr
Power Purchase cost	1229.97
Transmission Charges (PGCIL)	71.80
Transmission Charges (MePTCL)	92.38
Employee Expenses	195.59
Repair & Maintenance Expenses	30.54
Administration & General Expenses	13.02
Depreciation	0.00
Interest and Finance charges	9.82
Interest on working capital	22.68
Return on Equity	0.00
Bad & Doubtful Debt	0.00
<b>Gross Annual Revenue Requirement (ARR)</b>	<b>1665.80</b>
Less: Non-Tariff Income and Other Income	106.25
Less: Sale of Surplus Power	393.10
<b>Net ARR</b>	<b>1166.45</b>

MePDCL requests the Hon'ble Commission to allow Rs 1166.45 Cr as revised Net ARR for FY 2023-24.

## 2.2 Total Gap to be recovered through Tariff in FY 2023-24 and Carrying Cost

- 2.2.1 It may be noted that the approved ARR as well as the gaps of previous year due to true up and review petition on true up order is to be cumulatively recovered through the tariff of FY 2023-24. The Licensee had filed the petition for truing up for FY 2020-21 for MePDCL. The Gap from True up petition of FY 2020-21 of MePDCL is Rs 838.16 Crore.
- 2.2.2 MePDCL requests the Hon'ble Commission to also include the Gap/ surplus after truing up from the other subsidiaries namely MePTCL and MePGCL as and when the Hon'ble Commission passes the order(s).
- 2.2.3 Over and above the gap/surplus that may arise due to the truing up of business of MePDCL, MePTCL and MePGCL, MePDCL also requests the Hon'ble Commission to allow appropriate carrying cost due to late recovery of cost.

## 2.3 Net ARR for FY 2023-24

- 2.3.1 Based on the above submissions in Section 2.1 and 2.2 for approved ARR and gaps of past years, the net Revenue Requirement for FY 2022-23 would be as shown below:

**Table 11: Total Revenue for FY 2023-24**

Sl No	Particulars	Amount (In Rs Cr)
1	Proposed ARR of FY 2023-24	1166.45
2	Gap from True up of FY 2020-21 of MePDCL	838.16
	<b>Total Revenue Requirement for FY 2023-24</b>	<b>2004.61</b>

- 2.3.2 Thus, the retail supply tariff for FY 2023-24 would be determined based on the net Revenue Requirement as computed above.

## 2.4 Approved Sales and Connected Load

- 2.4.1 The energy sales and connected load for FY 2023-24 have been taken from the ones approved in the Business Plan for the Control Period from FY 2021-22 to FY 2023-24 vide Order dated 09.10.2020 in Case No. 16/2020. The same has been used to compute revenue estimates for FY 2023-24 in the subsequent sections.



**Table 12: Approved Energy Sale and Connected Load approved for FY 2023-24**

Sl.No	Consumer category	Connected load (MVA)	Energy Consumption (MU)
<b>A</b>	<b>LT CATEGORY</b>		
1	Domestic (DLT)	540.00	408.82
2	Commercial (CLT)	87.00	79.21
3	Industrial (ILT)	11.00	6.34
4	Agriculture (Ape)	0.00	1.07
5	Public Lighting (PL)	0.00	0.12
6	Water Supply (WSLT)	8.00	13.83
7	General Purpose (GP)	21.00	17.52
8	Kutir Jyoti (KJT)	90.83	87.42
9	Crematorium (CRM)	0.16	0.23
	<b>Sub Total</b>	<b>757.99</b>	<b>614.56</b>
<b>B</b>	<b>HT CATEGORY</b>		
1	Domestic HT	20.00	25.50
2	Water Supply (WSHT)	10.00	33.87
3	Bulk Supply (BS)	46.00	110.78
4	Commercial (CHT)	34.00	28.02
5	Industrial (IHT)	206.00	180.91
6	Ferro Alloy	11.00	37.58
	<b>Sub Total</b>	<b>327.00</b>	<b>416.66</b>
<b>C</b>	<b>EHT CATEGORY</b>		
1	Industrial	10.70	116.34
2	Ferro Alloy	68.17	344.41
	<b>Sub Total</b>	<b>78.87</b>	<b>460.75</b>
<b>D</b>	<b>Grand Total</b>	<b>1163.86</b>	<b>1491.57</b>

### 3 Tariff Proposal & Revenue Recovery from Tariff

The methodology used here is in line with the methodology used in petition for revision of tariff for FY 2021-22 for estimating the revenue recovery at approved and proposed tariff. The methodology is explained in the subsequent sections.

#### 3.1 Slab Wise Consumption for Consumer Categories: MSERC

Table 5.81 of the discom order for ARR FY 2021-22 and the detailed slab wise calculation of revenue of the same Tariff order for Domestic LT and Commercial LT are used to arrive at the existing revenue.

### 3.2 Revenue for FY 2023-24 at Existing Tariff

Based on the above slab wise estimates, Licensee is estimating the revenue for FY 2023-24 at existing tariff as per Commission's approach.

For **Domestic LT**, revenue from energy charges at existing tariff:

**Table 13: Revenue FY 2023-24 from Energy Charges for Domestic LT at existing tariff**

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2021-22 (Rs/Unit)	Revenue from Energy Charge FY 2023-24 at existing Tariff (In Rs Cr)
<b>First 100 Units</b>	20.00%	81.75	4.10	33.52
<b>Next 100 Units</b>	13.30%	54.37	4.50	24.47
<b>Above 200 Units</b>	66.70%	272.68	6.10	166.33
<b>Total</b>	100.00%	408.82		224.32

For **Commercial LT**, revenue from energy charges at existing tariff:

**Table 14: Revenue FY 2023-24 from Energy Charges for Commercial LT at existing tariff**

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2021-22 (Rs/Unit)	Revenue from Energy Charge FY 2023-24 at existing Tariff (In Rs Cr)
First 100 Units	14.60%	11.56	6.50	7.51
Above 100 Units	85.40%	67.65	7.50	50.74
<b>Total</b>	100.00%	79.21		58.25

For **BPL/Kutir Jyoti category**, the number of consumers considered for direct connection is 10% of the total number.

Table 15: Revenue for FY 2023-24 at Existing Tariff

Sl.	Category	Load(MVA)	Tariff Fixed Charges (Rs/KW/Month)	Fixed Charges Revenue (In Rs Cr)	Energy Tariff (Rs/KWh)	MUs Approved	Avg Tariff	Revenue from Energy Charge (In Rs Cr)	Total Revenue
		1	2	3=1*2	4	5	6	7=4*5	*8=(7+3) or 6*5
	<b>LT Category</b>								
1	Domestic	540.00	60.00	34.99		408.82		224.32	259.31
2	Commercial	87.00	120.00	11.28		79.21		58.25	69.53
3	Agriculture	0.00	110.00	0	3.00	1.07		0.32	0.32
4	Public Lighting	0.00	120.00	0	6.80	0.12		0.08	0.08
5	Water supply	8.00	120.00	1.04	7.10	13.83		9.82	10.86
6	General Purpose	21.00	120.00	2.72	7.40	17.52		12.96	15.68
7	Kutir jyoti	90.83	170	1.67	3.65	87.42	3.84	31.91	33.58
			<b>Rs/Con/Month</b>						
9	Crematorium	0.16	7000.00	0.01	4.10	0.23		0.09	0.1
			<b>Rs./kVA/month</b>		<b>Rs./kVAh</b>				
10	Industrial LT	11.00	6.34	1.58	6.50	6.34		4.12	5.7
	<b>HT Category</b>								
1	Domestic (HT)	20.00	230.00	5.52	6.75	25.50		17.21	22.73
2	Public water supply	10.00	230.00	2.76	7.00	33.87		23.71	26.47
3	General Purpose / BS	46.00	230.00	12.7	6.80	110.78		75.33	88.03
4	Commercial (HT)	34.00	230.00	9.38	7.20	28.02		20.17	29.55
5	Industrial (HT)	206.00	230.00	56.86	7.10	180.91		128.45	185.31
6	Ferro Alloy	11.00	200.00	2.64	4.70	37.58		17.66	20.3
	<b>EHT Category</b>								
1	Industrial (EHT)	10.70	230.00	2.95	6.80	116.34		79.11	82.06
2	Ferro Alloy	68.17	200.00	16.36	4.60	344.41		158.43	174.79
	<b>Total</b>	<b>1163.86</b>		<b>162.46</b>		<b>1491.97</b>		<b>861.94</b>	<b>1024.40</b>

### 3.3 Level of Cross subsidy at existing Tariff

From the above revenue at Existing Tariff, the level of cross subsidy is shown below:

**Table 16: Level of Cross subsidy at existing Tariff**

Sl.No	Consumer category	Level of Cross Subsidy(%)
<b>A</b>	<b>LT CATEGORY</b>	
1	Domestic (DLT)	-7.45
2	Commercial (CLT)	28.18
3	Industrial (ILT)	31.24
4	Agriculture (Ape)	-56.35
5	Public Lighting (PL)	-2.63
6	Water Supply (WSLT)	14.60
7	General Purpose (GP)	30.66
8	Kutir Jyoti (KJT)	-43.94
9	Crematorium (CRM)	-36.50
<b>B</b>	<b>HT CATEGORY</b>	
1	Domestic HT	15.47
2	Water Supply (WSHT)	14.16
3	Bulk Supply (BS)	16.06
4	Commercial (CHT)	54.01
5	Industrial (IHT)	49.49
6	Ferro Alloy	-21.17
<b>C</b>	<b>EHT CATEGORY</b>	
1	Industrial	2.92
2	Ferro Alloy	-25.84

+ means above the overall Average Billing Rate, - means below the overall Average Billing Rate

### 3.4 Revenue Gap for FY 2023-24

Based on the above submissions, the revenue gap for FY 2023-24 at existing tariff has been arrived at as follows:

**Table 17: Revenue Gap at existing tariff of FY 2023-24**

Particulars	Amount in Rs Cr
Total Revenue Requirement in FY 2023-24	<b>2,004.61</b>
Less: Projected Revenue at Existing Tariff Rates (As per Section 3.2)	<b>1,024.40</b>
Revenue Gap for FY 2023-24 at Existing Tariff	<b>980.21</b>

### 3.5 Determination of Retail Supply Tariff Rates for FY 2023-24

3.5.1.1 From the previous section, it is evident that in order to meet the projected revenue gap of Rs.980.21 Crore, the existing tariff rates need to be enhanced by around 98.69%

3.5.1.2 Since this would be a huge tariff shock to the consumers, MePDCL proposes that there may be a tariff hike of only 30% and the remaining amount may be treated as regulatory asset to be liquidated over the future years.

Keeping in line with the methodology adopted by the Hon'ble Commission, the tariff of all categories is proposed to be increased by the same percentage of 30%.

3.5.1.3 The tariff rates for different category of consumers with the 30% tariff hike is given below:

**Table 18: Proposed Tariff for FY 2023-24**

Sl. No	Category	Existing Tariff		Proposed Tariff	
		Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
		Rs./KW/Month	Rs./kWh	Rs./KW/Month	Rs./kWh
	<b>Low Tension</b>	Rs./KW/Month	Rs./kWh	Rs./KW/Month	Rs./kWh
1	Kutir Jyoti				
	Unmetered (Per Connection)	170	-	220	
	Metered	-	3.65		4.75
2	Domestic	-	-		
	First 100Units	60	4.10	80	5.33
	Next 100Units	60	4.50	80	5.85
	Above 200Units	60	6.10	80	7.93
3	Commercial				
	First 100Units	120	6.50	155	8.45
	Above 100Units	120	7.50	155	9.75
4	Public Lighting(Metered)	120	6.80	155	8.84
5	Public Water Supply	120	7.10	155	9.23
6	General Purpose	120	7.40	155	9.49
7	Agriculture	110	3.00	145	3.90
8	Electric Vehicle Charging Station	120	9.70	155	9.70
		Rs./Conn/Month	Rs./kWh	Rs./KW/Month	Rs./kWh
9	Crematorium	7000	4.10	9100	5.33
		Rs./kVA/month	Rs./kVAh	Rs./kVA/month	Rs./kVAh
10	LT Industrial	120	6.50	155	8.06
	<b>High Tension</b>	Rs./kVA/month	Rs./kVAh	Rs./kVA/month	Rs./kVAh
11	Domestic	230	6.75	300	8.78
12	General Purpose/Bulk Supply	230	6.80	300	8.84
13	Commercial	230	7.20	300	9.36
14	Industrial	230	7.10	300	9.23
15	Ferro Alloy	200	4.70	260	6.11
16	Public Water Supply	230	7.00	300	9.10
17	Electric Vehicle Charging Station	230	9.90	300	9.90
	<b>Extra High Tension</b>	Rs./kVA/month	Rs./kVAh	Rs./kVA/month	Rs./kVAh
19	Industrial	230	6.80	300	8.84
20	Ferro Alloy	200	4.60	260	5.98

**Table 19 : Proposed Time of Day Tariff for FY 2023-24**

Time Slot	Existing Energy Charges (Rs./kVah)		Existing Energy Charges (Rs./kVah)	
	HT Industrial	EHT Industrial	HT Industrial	EHT Industrial
0600 hrs to 1700 hrs (normal)	7.10	6.80	9.23	8.84
1700-2300 hrs (peak)	+20% of Normal	+20% of Normal	+20% of Normal	+20% of Normal
2300-0600 hrs (night off-peak)	-15% of Normal	-15% of Normal	-15% of Normal	-15% of Normal

a) Temporary Supply: MeECL has proposed to continue their existing arrangement where the fixed and energy charges shall continue to be double of the normal applicable rates for all categories.

b) Unmetered Public Lighting: The licensee is requesting for an extension till 31/03/2024 for replacement of existing fittings with LEDs. The licensee also requests the Hon'ble Commission to allow it to bill the existing fixtures at the prevailing rates of the old lamps & LEDs till all are metered.

### 3.6 Revenue Estimates for FY 2023-24 at Proposed Tariff

Based on the above slab wise estimates, Licensee is estimating the revenue for FY 2023-24 at existing tariff as per Commission's approach.

For **Domestic LT**, revenue from energy charges at existing tariff:

**Table 20: Revenue FY 2023-24 from Energy Charges for Domestic LT at proposed tariff**

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2021-22 (Rs/Unit)	Revenue from Energy Charge FY 2023-24 at existing Tariff (In Rs Cr)
<b>First 100 Units</b>	20.00%	81.75	5.33	43.58
<b>Next 100 Units</b>	13.30%	54.37	5.85	31.81
<b>Above 200 Units</b>	66.70%	272.68	7.93	216.24
<b>Total</b>	100.00%	408.82		291.63

For **Commercial LT**, revenue from energy charges at existing tariff:

**Table 21: Revenue FY 2023-24 from Energy Charges for Commercial LT at proposed tariff**

	Slab-Wise Consumption	MUs Slab Wise	Energy Tariff FY 2021-22 (Rs/Unit)	Revenue from Energy Charge FY 2023-24 at existing Tariff (In Rs Cr)
First 100 Units	14.60%	11.56	8.45	9.77
Above 100 Units	85.40%	67.65	9.75	65.96
<b>Total</b>	100.00%	79.21		75.73

For **BPL/Kutir Jyoti category**, the number of consumers considered for direct connection is 10% of the total number.

**Table 22: Revenue for FY 2023-24 at proposed Tariff**

Sl.	Category	Load(MVA)	Tariff Fixed Charges (Rs/KW/Month)	Fixed Charges Revenue (In Rs Cr)	Energy Tariff (Rs/KWh)	MUs Approved	Avg Tariff	Revenue from Energy Charge (In Rs Cr)	Total Revenue
		1	2	3=1*2	4	5	6	7=4*5	*8=(7+3) or 6*5
	<b>LT Category</b>								
1	Domestic	540.00	80	46.66		408.82		291.63	338.29
2	Commercial	87.00	155	14.56		79.21		75.73	90.29
3	Agriculture	0.00	145	0.00	3.90	1.07		0.42	0.42
4	Public Lighting	0.00	155	0.00	8.84	0.12		0.11	0.11
5	Water supply	8.00	155	1.34	9.23	13.83		12.77	14.11
6	General Purpose	21.00	155	3.52	9.49	17.52		16.63	20.15
7	Kutir jyoti	90.83	220	5.40	4.75	87.42	5.36	41.48	46.88
			<b>Rs/Con/Month</b>						
9	Crematorium	0.16	9100.00	0.01	4.10	0.23		0.12	0.13
			<b>Rs./kVA/month</b>		<b>Rs./kVAh</b>				
10	Industrial LT	11.00	155	2.05	8.06	6.34		5.11	7.16
	<b>HT Category</b>								
1	Domestic (HT)	20.00	300.00	7.2	8.78	25.50		22.38	29.58
2	Public water supply	10.00	300.00	3.6	9.10	33.87		30.82	34.42
3	General Purpose / BS	46.00	300.00	16.56	8.84	110.78		97.93	114.49
4	Commercial (HT)	34.00	300.00	12.24	9.36	28.02		26.23	38.47
5	Industrial (HT)	206.00	300.00	74.16	9.23	180.91		166.98	241.14
6	Ferro Alloy	11.00	260.00	3.43	6.11	37.58		22.96	26.39
	<b>EHT Category</b>								
1	Industrial (EHT)	10.70	300.00	3.85	8.84	116.34		102.84	106.69
2	Ferro Alloy	68.17	260.00	21.27	5.98	344.41		205.96	227.23
	<b>Total</b>	<b>1163.86</b>		<b>215.85</b>		<b>1491.97</b>		<b>1120.10</b>	<b>1335.95</b>



### 3.7 Revenue Gap with Proposed Tariff

The projected revenue gap with a 30% tariff hike is estimated as shown below:

**Table 23: Revenue Gap at 30% hike in tariff**

Particulars	Amount
Total Revenue Requirement in FY 2023-24	<b>2,004.61</b>
Less: Projected Revenue with 30% Tariff Hike (As per Section 3.6)	<b>1,335.95</b>
<b>Projected Revenue Gap for FY 2023-24</b>	<b>668.66</b>

The remaining amount of Rs **668.66** Cr may be treated as regulatory asset to be liquidated over the future years.

### 3.8 Wheeling Charges, Cross Subsidy surcharge for FY 2023-24

#### 3.8.1 Wheeling Charges:

The Wheeling Charges applicable for Distribution Open Access consumers at 33 kV voltage level for FY 2020-21 has been determined as per the Clause 23 MSERC (Terms and Conditions of Open Access) Regulations, 2012 which is stated below:

*“Wheeling charges payable to distribution licensee, by an open access customer for usage of its system and associated facilities shall be as determined as under:*

*Wheeling Charges = (ARR – PPC – TC) / (ALSD X365) (in Rs. /MW-Day)*

*Where,*

*ARR= Annual Revenue Requirement of the distribution licensee in the concerned year*

*PPC= Total Power Purchase Cost of distribution licensee in the concerned year*

*TC = Total transmission charges paid by distribution licensee for State and associated facilities and Inter-State transmission system for the concerned year*

*ALSD= Total average load projected to be served by the concerned distribution system in the concerned year*

*Provided that Wheeling charges shall be payable on the basis of contracted Capacity/Scheduled Load or actual power flow whichever is higher.”*

Wheeling Charges has been determined from the ARR FY 2023-24 of the Distribution Wires Business, as determined in the below table:

**Table 24: Wheeling Charges for FY 2023-24**

Particulars		Amount
Gross ARR of Distribution Business (In INR Cr)	A	<b>1,665.80</b>
Power Purchase Cost(In INR Cr)	B	1,229.97
Inter and Intra State Transmission Charges(In INR Cr)	C	164.18
Net ARR of Wire Business (In INR Cr)	D=A-B-C	<b>271.65</b>
Estimated Load for FY 2023-24 (MW)	E	252.00
Wheeling Charges (Rs/MW-Day)	F=D/(E*365)	<b>29,533.59</b>
Total Sale within State for FY 2023-24 (MUs)	G	1,491.57
Wheeling Charges (Rs/Unit)	H=D*10/G	<b>1.82</b>

The Licensee humbly requests the Commission to review the wheeling charges as per the calculations shown above.

### 3.8.2 Cross Subsidy Surcharge

There are six (6) categories of consumers under HT supply and two (2) categories of consumers under EHT supply. MePDCL proposes to have a single Cross subsidy surcharge for all categories of consumers under HT supply and single Cross subsidy surcharge for all categories of consumers under EHT supply.

The National Tariff Policy notified by Ministry of Power Resolution dated 28<sup>th</sup> January 2016 has prescribed the formula for computing the Cross subsidy Surcharge as indicated below:-

Surcharge Formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase

Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying Regulatory assets if any.

Using the above formula, the computation of cross subsidy surcharge is shown below:

**Table 25 : Computation of Cross Subsidy Surcharge for FY 2023-24**

V= Voltage Level	T= Tariff (Rs./Kvah)	C= Average Cost of Power Incl. PGCIL Cost	L= Losses (%)	D= Wheeling Charges	R= Regulatory Assets	S= Surcharge	Limited to 20% of Tariff (Rs./KVah)
	1	2	3	4	5	6	7
HT Level	13.33*	4.12	6%	1.82	4.46	2.67	2.67
EHT Level	9.17*	4.12	4%	1.82	4.46	-1.4	1.83

It may be noted that while The National Tariff policy notified by Ministry of Power Resolution dated 28<sup>th</sup> January 2016 has prescribed the formula as indicated above, it also accepts the fact that this formula is not perfect stating :

Quote

*“Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee, Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.”*

Unquote

Therefore, the Commission has the discretionary power not to strictly follow the above formula but to devise any other means provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

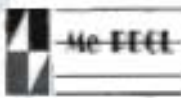
In light of this, MePDCL proposes that the surcharge be limited to 20% of the tariff applicable to the category of the consumers seeking open access as indicated below:.

**Table 26: Proposed Cross Subsidy Surcharge for FY 2023-24**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Existing (INR/kWh)</b>	<b>Proposed (INR/kWh)</b>
1	Cross Subsidy Surcharge for HT consumers	1.90	2.67
2	Cross Subsidy Surcharge for EHT consumers	1.47	1.83

### **3.9 Prayer before the Honorable Commission**

MePDCL humbly prays before the Honorable Commission to kindly approve the proposed tariff rates for implementation from 01.04.2023 based on the facts and circumstances submitted above and also allow a Regulatory Asset for the unrecovered amount of **Rs 668.66 Cr**



**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED**

**OFFICE OF THE COMPANY SECRETARY**

Corporate Identification Number: U40101ML2009SGC008394

Registered Office: Lumjingshai, Short Round Road, Shillong-793001

Telephone No: 0364-2591074; Fax no: 0364-2590355; Website address: [www.meecl.nic.in](http://www.meecl.nic.in), [meghapower.com](http://meghapower.com)

**RELEVANT EXTRACT OF THE MINUTES OF THE 108<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS OF MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED HELD ON MONDAY THE 28<sup>TH</sup> NOVEMBER, 2022 AT 12:30 P.M. AND CONTINUED TILL 1:00 P.M. IN THE CHAMBER OF THE CHAIRMAN-CUM-MANAGING DIRECTOR, AT LUMJINGSHAI, SHILLONG -793001.**

**Resolution No. 4**

**FILING OF PETITION FOR REVISION OF TARIFF FOR THE FINANCIAL YEAR 2023-24 OF THE MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (MePDCL).**

"Resolved that the Board of Directors hereby approves the petition for revision of approved net Annual Revenue Requirement (ARR) of the MePDCL for the financial year 2023-24 from Rs. 1013.39 Cr. to Rs. 1166.45 Cr.

Resolved further that Board approves the total Revenue requirement of the MePDCL amounting to Rs.2,004.61 Cr. to be recovered from the tariff for the financial year 2023-24.

Resolved further that to avoid tariff shock, the Board agrees to propose for recovering from the tariff for the financial year 2023-24 with only 30% increase in the tariff of the previous year and remaining amount of Rs. 668.66 Cr. to be treated as regulatory asset to be liquidated over the future years.

Resolved further that the Board of Directors hereby approves the tariff rates for the financial year 2023-24 based on the proposed 30% tariff hike.

Resolved further that the Board approves the Open Access Charges for the financial year 2023-24 based on based 30% tariff hike.

Resolved further that the Board approves an amount of Rs. 50,000/- (rupees fifty thousand only) as Petition Fee for filing the above petition.

Resolved further that Shri S.S. Kharmih, Superintending Engineer (RA) is hereby authorised by the Board to sign, execute and submit the above Petition before the MSERC along with applications, affidavits and any other necessary documents, clarifications, replies, changes etc. as required in this regard, from time to time, for and on behalf of the Corporation.

Resolved further that the Director (Distribution) and Director (Finance) be and are hereby severally authorized by the Board to do all acts, deeds, things as may be required, in this regard."

**CERTIFIED TO BE TRUE COPY  
FOR, MEGHALAYA POWER DISTRIBUTION CORPORATION LTD**

*G. S. Mukherjee* 28/11/22

(G. S. Mukherjee)

Company Secretary