

Meghalaya Power Generation Corporation Limited (MePGCL)
Lumjingshai, Short Round Road, Shillong – 793001

PUBLIC NOTICE.

Suggestions/ Objections on Meghalaya Power Generation Corporation Limited (MePGCL) Petitions for (a) Truing up of ARR of MePGCL for FY 2013-14, Provisional Truing up of ARR for FY 2014-15 and Revision of Generation Tariff for FY 2016-17 (b) Approval of Business Plan for the Control Period FY 2015-16 to 2017-18.

Meghalaya Power Generation Corporation Limited (MePGCL) has filed Petitions for (a) Truing up of ARR of MePGCL for FY 2013-14, provisional truing up of ARR for FY 2014-15 and revision of Generation Tariff for FY 2016-17 and (b) Approval of Business Plan for FY 2015-16 to 2017-18 before the Hon'ble Meghalaya State Electricity Regulatory Commission (MSERC) as per Regulation 15 of the MSERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 and Regulation 4, 6, 7, 8 & 11 of MSERC (Multi Year Tariff) Regulations, 2014 and the Electricity Act, 2003. The Hon'ble Commission has admitted these Petitions on 10th February 2016.

MePGCL, under instructions of the Hon'ble Commission and in accordance with the provisions of Section 64 (2) of the Electricity Act 2003, Regulation 18 of the MSERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 and Regulation 15 of the MSERC (Conduct of Business) Regulations, 2007, hereby publishes an abridged version of the Petition for Truing up of ARR of MePGCL for FY 2013-14, provisional truing up of ARR for FY 2014-15, revision of Generation Tariff for FY 2016-17 and Petition for approval of Business Plan for FY 2015-16 to 2017-18. Objections, suggestions and comments are invited from the general public and other stakeholders on the Petitions. The submission(s) shall be made in English, mentioning the full name, postal address and e-mail address, if any, of the sender and sent to the **Secretary, Meghalaya State Electricity Regulatory Commission** at the following address or by e-mail at secy.mserec-meg@nic.in within 30 (thirty) days from the date of publication of this notice.

New Administrative Building, 1st Floor Left Wing,
Lower Lachumiere, Shillong-793001,
East Khasi Hills District, Meghalaya.

A copy of the above may also be endorsed to the undersigned at the following address-
Superintending Engineer (Project & Monitoring)
Office of the Director (Generation), MePGCL, Lumjingshai, Shillong-793001.

1. The salient features of the Petitions are as follows-

a) True-up of Annual Revenue Requirement (ARR) for Financial Year (FY) 2013-14-

Particulars	As approved by MSERC for MePGCL for FY 2013-14*	Actuals of MePGCL for FY 2013-14	Gap (-)/ Surplus
O & M expenses	91.63	67.54	24.09
Depreciation	4.87	66.61	-61.73
Interest on Loan	72.95	98.35	-25.40
Interest on working capital	3.90	10.68	-6.78
Return on Equity	19.55	95.26	-75.71
Income Tax	0.00	0.00	0.00
SLDC charges	1.28	1.31	-0.03
Misc. Expense, Bad Debts and other misc. written off	0.00	0.01	-0.01
Prior Period Items	0.00	11.69	-11.69
Total ARR	194.18	351.43	-157.25
Less Non Tariff Income	0.00	5.60	5.60
Net ARR	194.18	345.83	-151.65

*Approved figure of MSERC has been added with components of Myndtu Leshka HEP. Detailed methodology and calculations are available in the petition.

b) Provisional True-up of Annual Revenue Requirement (ARR) for Financial Year (FY) 2014-15-

The salient features of the provisional Truing-up of ARR for FY 2014-15 are as per table below:

Particulars	As approved by MSERC for MePGCL for FY 2014-15*	Actuals of MePGCL for FY 2014-15	Gap (-)/ Surplus
O & M expenses	99.43	74.98	24.45
Depreciation	8.13	67.35	-59.22
Interest on Loan	72.95	137.75	-64.80
Interest on working capital	4.40	12.08	-7.68
Return on Equity	19.55	101.30	-81.75
Income Tax	0.00	0.00	0.00
SLDC charges	1.67	1.17	0.50
Misc. Expense, Bad Debts and other misc. written off	0.00	0.07	-0.07
Prior Period Items Income (-)/ Expense	0.00	2.05	-2.05
Total ARR	206.14	394.70	-188.56
Less: Non-Tariff Income	0.67	8.70	8.03
Net ARR	205.47	386.00	-180.53

*Approved figure of MSERC has been added with components of Myndtu Leshka HEP. Detailed methodology and calculations are available in the petition.

c) Revision of Generation Tariff Proposal for FY 2016-17-

In the exercise of revision of Generation Tariff, MePGCL has calculated the total gap resulting from the Truing up of FY 2013-14 and provisional Truing up of FY 2014-15 and added the same to the ARR of FY 2016-17 in the MYT order for FY 2015-16 to FY 2017-18. Based on the final gap arrived from the above calculation, MePGCL has calculated revised Tariff for all its existing Power Plants and also for Myntdo Leshka HEP for FY 2016-17 as below,

Revised Tariff for FY 2016-17							
Sl No	Name of the Plant	Capacity (MW)	Design/ Annual Energy(MU)	AFC Allocation (INR Crore)	Average Tariff (INR/Unit)	50% as Capacity Charges(INR Crore)	50% as Energy charges(INR/KWH)
1	Umiam I	36	116.00	36.37	3.13	18.18	1.57
2	Umiam II	20	46.00	20.20	4.39	10.10	2.20
3	Umiam III	60	139.00	60.61	4.36	30.30	2.18
4	Umiam IV	60	207.00	60.61	2.93	30.30	1.46
5	Umtru	11.2	39.00	11.31	2.90	5.66	1.45
	Sub: Total	187.2	547.00	189.10			
6	Sonapani	1.5	5.00	2.12	4.24	1.06	2.12
	Sub Total	188.70	552.00	191.22			
7	Leshka	126	478.94	360.49	7.53	180.24	3.76
	Total	314.70	1030.94	551.70			

d) Business Plan of MePGCL for FY 2015-16 to FY 2017-18:

Sl. No.	Projects/Schemes	Total capital expenditure (Rs. in Crore)
1	Umiam Stage-I: Capital investment for Power Station, Roads & Buildings.	23.26
2	Umiam Stage-II: Capital investment for Power Station & Roads.	0.80
3	Umiam Stage-III: Capital investment for Power Station, Roads & Buildings.	427.40
4	Umiam Stage-IV: Capital investment for Power Station & Road.	42.40
5	Umtru HEP: Capital investment for Power Station.	7.47
6	Sonapani HEP: Capital investment for Power Station.	20.61
7	Myntdu Leshka HEP: Capital investment for Power Station.	3.09
8	Small Hydro Projects: Capital investment for new SHP's	138.96
	TOTAL	664.00

Copies of the detailed Petitions of MePGCL for (a) Truing up of ARR for FY 2013-14, provisional truing up of ARR for FY 2014-15, revision of Generation Tariff for FY 2016-17 and (b) Approval of Business Plan for FY 2015-16 to FY 2017-18, may be downloaded from the website of MeECL (<http://meecl.nic.in>) and MSERC website (<http://mserc.gov.in>). Copies of the Petition can also be seen in the office of the Director (Generation), MePGCL, Lumjingshai, Shillong – 793001 during office hours.

Superintending Engineer (Project Monitoring)
for and on behalf of MePGCL.