



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

New Admn. Building, Left Wing, 1st
Floor Lower Lachumiere: Shillong –
793001

F.No. MSERC/Misc (Tariff)/2021/366

Dated 15th January 2026

PUBLIC NOTICE

Sub: Inviting Suggestions/Objections/Comments from stakeholders on: Load Factor incentives and penalty, Cross Subsidy Surcharge (CSS) and Demand Charges.

1. The Commission, vide **para 6.4.3 of the Tariff Order** dated 24.03.2025, had decided that the Load Factor penalty and rebate will be reviewed in future upon receipt of additional details and after undertaking a detailed study from the Petitioner (MePDCL). The relevant extract of the Tariff Order is reproduced below:

“6.4.3. The Commission after due prudence check decided to discontinue the Load factor penalty and rebate for this time and this matter will be reviewed in future after obtaining more details from the Petitioner.”

In this regard, the Commission now proposes to introduce an incentive and penalty mechanism linked to the actual achievement of higher or lower Load Factor by the consumers. Accordingly, the Commission hereby invites comments from stakeholders on the proposed penalty and incentive structure including amount thereof, methodology for calculation and threshold load factor applicable for **Industrial and Commercial consumers**.

2. **Section 61 (g) of the Electricity Act, 2003** states the following:

“61. (g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;”

Further, the proviso of Clause 8.5.1 of the National Tariff Policy 2016, notified by Ministry of Power Resolution dated 28th January 2016 stipulates that:

“Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.”

In view of the above statutory provisions, Cross-subsidy surcharge (CSS) is required to be abolished progressively over a period of time. Accordingly, comments from all Stakeholders are invited on whether CSS to be retained/continued and if so, then the maximum limit upto which the CSS can be levied on the Open Access consumers.

3. The Distribution Licensee (MePDCL) is obligated to supply electricity to various category of consumers, as per Section 42 of Electricity Act 2003

“42. (1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.”

This entails incurrence of Fixed Costs by the MePDCL on an annual basis due to setting up distribution infrastructure, capacity charge of power generating companies as per PPA, Inter-state and Intra-state transmission network costs during power procurement. The Commission acknowledges that, ideally the entire Fixed Charge liability should be recovered through Demand Charge / Connection charge of the consumers. Comments are invited from the Stakeholders on the appropriate percentage of Fixed charges to be recovered as Connection charge so as to ensure uniform per-unit fixed cost recovery across all categories of consumers.

Accordingly, notice is hereby issued inviting written suggestions/ objections/ comments from any person/organization likely to be affected by the above-mentioned proposals. Submission of the same in this regard shall be forwarded to The Secretary, Meghalaya State Electricity Regulatory Commission, New Administrative Building, Left Wing, 1st Floor, Lower Lachumiere: Shillong-793001, or by email to secretarymserc@gmail.com within **30th January, 2026**. Any comments/suggestions received after the stipulated date in the Commission’s office will not be entertained.

(By order of the Commission)

Sd/-

**(E. Slong)
Secretary**