

**BEFORE THE MEGHALAYASTATEELECTRICITYREGULATORYCOMMISSION
SHILLONG**

CASE NO.1/2018

In the matter of True up Business for the FY 2015-16 1st Year of 1st MYT Control Period FY 2015-16 to FY 2017-18.

AND

Meghalaya Power Distribution Corporation (the Petitioner)

Coram

WMS Pariat, IAS (Retd.)
Chairman

ORDER

(Dated: 25.09.2018)

In exercise of its powers conferred under 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 the erstwhile Meghalaya State Electricity Board (MeSEB) into four entities and Meghalaya Power Distribution Corporation Limited is one of them. However Meghalaya Energy Corporation Limited (MeECL) carried out the functions of Generation, Transmission and Distribution from 1st April 2010 onwards. On 31st March 2012 State Government notified and amendment to the Power Sector Reforms Transfers Scheme 2010 leading to effective unbundling and the Distribution utility MePDCL started functioning as independent utility from 1st April 2012. MePDCL has started as segregated commercial operation utility independently from 1st April 2013.

MePDCL had filed petition for True-Up Business for the FY 2015-16 of 1st MYT Control Period FY 2015-16 to FY 2017-18 on 2nd January 2018 along with C&AG report and the statement of accounts. Commission admitted the petition on 14th February 2018 and after prudence check issues this True-Up Order for MePDCL for FY 2015-16.

In exercise of functions vested in the MYT Regulation 2014, Commission issues this true up order taking into consideration of all the facts and Prudence check as per the Regulations, for the FY 2015-16 for the Business Carried out by the Licensee during the 1st year of 1st MYT Control period FY 2015-16 to FY 2017-18.

Commission notifies the licensee that the impact of true up gap/ surplus shall be appropriated in the ARR of the ensuing year for determination of Tariff.

Sd/-
WMS Pariat, IAS (Retd.)
Chairman.

1. Energy Availability :-

Licensee's Submission

The MePDCL has furnished the following comparison of energy availability with approved source wise quantum for the FY 2015-16 for True up.

Table 1: Comparison of energy availability with approved source wise quantum for the FY 2015-16 for True up

Sl.No	Source	Approved MU	Actual MU for True up
A	MePGCL	1107	921.83
B	Outside Purchase	-	-
1	NTPC (ER)	202.63	-
2	NHPC Loktak (NER)	50	1.69
3	NEEPCO (Excluding Free power)	556	561.86
4	OTPC Pallatana GPP	346	360.65
5	Free Power	58	56.12
C	Short term (Bilateral/Banking UI)	-	-
1	Mittal Processor Pvt Ltd	Swapping	272.94
2	Mittal Processor Pvt Ltd	Exchange	23.04
3	Meghalaya Power Ltd	Banking	34.74
4	NVVN Ltd	-	1.48
5	PTCIL	Swapping	87.46
6	UI Purchase	-	15.98
	Total	2319.63	2337.79

Commission's Analysis

The Licensee has stated that due to short supply of power from MePGCL, NTPC and surrendering of Power from NHPC, Loktak, the MePDCL had to resort to bilateral purchase to meet the demand.

Commission considers the Energy availability in view of the submission of the Licensee. The MePDCL shall ensure pairing off of the energy in the subsequent years by drawal/selling as the case may be in swapping and Banking terms.

2. Energy Sales :

Licensee's Submission

MePDCL has submitted the category wise energy sales compared with the Approved numbers in the Tariff Order for FY 2015-16 as detailed in the table 2 below.

Table 2: Comparison of Energy Sales in FY 2015-16 (in MU)

Sl. No.	Consumer Category	Approved in Tariff Order Dt. 31.03.2015	MePDCL Actual
	LT Category	-	-
1	Domestic (DLT) (Including MeECL Establishments)	378	376.93
2	Commercial (CLT)	75	65.02
3	Industrial (ILT)	6	5.38
4	Agriculture (AP)	0.11	0.09
5	Public Lighting (PL)	1.5	1.02
6	Water Supply (WSLT)	11	7.26
7	General Purpose	29	22.80
8	KutirJyoti	24	23.06
9	Crematorium	0.19	0.16
	HT Category	-	-
10	Industrial (HT)	230	171.20
11	Water Supply (WS HT)	30	29.93
12	Domestic (DHT)	24	22.83
13	Commercial (CHT)	25	26.86
14	Bulk Supply (HT)	55	65.00
15	EHT Category	-	-
16	Industrial (EHT)	160	211.60
17	ASEB (General purpose)	19	29.17
18	Sale to UI and Power Exchanges	-	-
19	Swapping	-	-
	Total	1067.8	1,058.32

Commission's Analysis

Commission observed the energy sales in respect of commercial (CLT), water supply (WSLT), General Purpose (GPLT), and Industrial (ILT) seems to be in a declining trend which resulted in Revenue deficit, negatively impacting on the objective of cross subsidizing the consumers of Kutir Jyoti, Domestic(DLT), Agriculture, categories substantially, thus leading to Revenue gap.

The Licensee should diligently monitor on a regular basis the sales management to plug the losses/deficit.

3. T&D LOSS Computations for the FY 2015-16

Licensee's Submission

MePDCL has submitted the T&D loss analysis in the table 3 below

Table 3: Computation of T&D Losses for FY 2015-16

Sl. No.	Particulars	Calculation	Amount
1	Power purchased from the Eastern Region (ER)	A	0
2	Inter-state transmission loss for ER	B	2.12%
3	Net power purchased from the ER	$C=A*(1-B)$	0
4	Power purchased from the North -Eastern Region (NER)	D	980
5	Inter-state transmission loss for NER	E	3.20%
6	Net power available at state bus from external sources on long term	$F=(C+D)*(1-E)$	948.95
7	Power purchased from generating stations within the state	G	921.83
8	Power purchased from other sources	H	435.65
9	Power sold to other states (including swapping/Ui/bilateral)	I	637.47
10	Net power available at state bus for sale of power within the state	$J=F+G+H-I$	1,668.95
11	Power sold to consumers within the state	K	1,058.32
12	Transmission & Distribution Losses	$L=J-K$	610.63
13	Transmission & Distribution Losses (%)	$M=L/J$	36.59%

MePDCL has submitted before the Commission to allow T&D losses at 36.59% on account of increased supply to rural areas and small LT domestic and Kutir Jyoti Consumers.

Commission's Analysis

The licensee had projected the following Distribution loss Trajectory for 1st MYT Control period FY 2015-16 to FY 2017-18 in the Petition.

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Proposed Distribution Loss	26.41%	25.88%	25.35%

Commission had approved the Distribution loss trajectory for the 1st MYT Control period FY 2015-16 to FY 2017-18 as detailed below.

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Approved Distribution Loss	24%	23%	22%	21%

The T&D loss proposed by the licensee at 36.59% speaks the poor performance, as the utility has not even achieved up to projected loss levels of 26.41% for the FY 2015-16.

Commission had approved average Revenue Rs. 5.78 Ps/kwh as against which the Licensee had realized average Revenue at Rs.5.18Ps/Kwh for the FY 2015-16. The Licensee should ensure to reduce loss level, by providing 100% meters in the rural areas, without computing assessed Consumption.

Billing efficiency has to be achieved with the “Infra-red data acquisition” Port metering system, while avoiding Manual interference.

Licensee should conduct monthly Energy audit by providing 100% DTR metering.

The Energy Requirement with the proposed loss level and Energy sales is considered for the FY 2015-16 true up as stated below.

Table 4: The Energy Requirement with the proposed loss level and Energy sales

Sl.No.	Particulars	In MU
1 (a)	Energy Sales within the State	1029.15 MU
(b)	Sales to Assam	29.17 MU
2	Distribution loss	36.59%
3	Distribution loss (in MU)	593.85 MU
4	Energy input required at the Distribution Periphery	1623 MU
5	Sales to Assam	29.17 MU

4. Power Purchase Cost

Licensee's Submission

MePDCL has submitted a statement of comparison for the Power Purchase cost approved by the MSERC and MePDCL's actual in the table 4 of the petition as detailed in the table 5 below:

Table 5: Source wise Power Purchase Cost Claimed for FY 2015-16

Sl. No	Source	MSERC Approved			MePDCL Actuals		
		Energy (MU)	Total Cost (Rs Cr)	Unit cost/kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/kWh
	NTPC						
1	Farakka	28.00	11.01	3.93	0.00	-0.17	
2	Talchar	18.00	4.35	2.42	0.00	-0.09	
3	Kahalgaon-I	15.00	5.87	3.91	0.00	-0.18	
4	Kahalgaon-II	75.00	28.18	3.76	0.00	-1.10	
5	BTPS	-					
6	OTPC Pallatana	346.00	83.83	2.42	360.65	109.91	3.05
	NEEPCO	-					
7	Kopili Stage-I	85.00	8.66	1.02	76.61	93.58	12.21
8	Kopili Stage-II	8.00	1.41	1.76	7.23	0.94	1.29
9	Khandong HEP	17.00	5.5	3.21	19.19	3.7	1.91
10	Free Power (6%of Kopili I, II &Khandong)	58.00			56.12		
11	RANGANADI HEP	131.00	40.40	3.08	151.59	45.59	3.01
12	DOYANG HEP	23.00	10.27	4.47	17.66	10.93	6.19
13	AGTPP	105.00	40.14	3.82	90.57	34.69	3.83
14	AGBPP	187.00	63.90	3.42	199.01	80.65	4.05
	NHPC						
17	Loktak	50.00	15.33	3.07	1.69	10.22	60.48
	MePGCL						
18	Sonapani	5.00	0.91	1.82	6.24	1.02	1.64
19	Lakroh						
20	Umiam Stage-I	116.00	15.27	1.32	112.87	15.06	1.33
21	Umiam Stage-II	46.00	8.5	1.84	57.88	9.6	1.65
22	Umiam Stage-III	139.00	25.33	1.82	116.66	23.30	2.00
23	Umiam Stage-IV	207.00	25.31	1.22	183.79	23.90	1.30
24	Umtru HEP	39.00	4.75	1.22	1.38	2.45	17.79
25	Myntdu-Leishka	480.0	135.45	2.82	443.02	130.46	2.94

Sl. No	Source	MSERC Approved			MePDCL Actuals		
		Energy (MU)	Total Cost (Rs Cr)	Unit cost/kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/kWh
	Other Charges to MePGCL		5.50				
	Short Term						
26	Mittal Processors Pvt. Ltd. (MPPL) – Swapping				272.94	7.71	0.28
27	Mittal Processors Pvt. Ltd. (MPPL) – Exchange				23.04	5.63	2.45
28	Meghalaya Power Ltd. (MPL) - Banking				34.74	0.00	0.00
29	NTPC Vidyut Vyapar Nigam Ltd.				1.48	0.11	0.74
30	Power Trading Corporation India Ltd (PTCIL) - Swapping				87.46	5.65	0.65
31	Unscheduled Interchange (UI)				15.98	0.12	0.08
32	Short Term Open Access Charges					-0.41	
	Total	2178.00	539.78	2.48	2337.79	613.17	2.62

MePDCL submitted that power procurement has been made from CGS, MePGCL and other sources like from exchange/bilateral/swapping etc. one unit of Umtru HEP suffered due to Siltation of Hydraulic works and could not generate to its capacity. MePDCL had to resort to short term Power Purchase to meet the demand. The licensee requested to approve the Power Purchase cost for FY 2015-16 for true up as proposed.

Commission's Analysis

As per the Regulation 11.3 of MYT Regulation 2014, the licensee has to file petition for true up of the business along with audited Accounts with C&AG audit report.

MePDCL has submitted the audited Accounts with C&AG audit report on 29.03.2018.

The Licensee has claimed the Power Purchase cost at Rs. 613.17 Crore as against Rs. 539.78 Crore approved in the Tariff Order for FY 2015-16.

The source wise Power Purchase cost with reference to the details submitted vide their letter no. ACB/MSERC/Tariff/1339(a)/2014/13 06 Feb.2017 is analysed and admissible Power Purchase cost is allowed against each source.

(i) NTPC:-(Rs.-)1.54 Crore)

Power drawal from Farakka, Talcher, Kahalgoan I and Kahalgoan II is not shown for FY 2015-16 but a credit balance invoices for **Rs.(-) 1.54Crore** is considered for true up, is taken into account as per the petition.

(ii) OTPC Pallatana:- (Rs.108.45 Crore)

MePDCL has claimed Rs.109.95Crore for 360.65 MU Energy drawn which includes supplementary bills of**Rs.9.43 Crore**.

The claim also includes Supplementary bills towards energy bill for the period 24.03.2015 to 31.03.2015(FY 2014-15). The claim includes revised Capacity/ Energy Chargers for the prior period from 04.01.2014 to 31.03.2014.

The Licensee has claimed gross invoice value without adjusting the 1% rebate allowed by the generator for prompt payment within 30 days. Commission had allowed Interest on working capital in the ARR and retail Tariff, therefore the Power Purchase cost has been adjusted by 1% rebate.

Commission approves Rs.108.45 Crore for FY 2015-16 in the true up

(iii) NEEPCO:- (Rs. 183.00 Crore)

Licensee has claimed Rs.270.08 Crore which includes surcharge bills for Rs.79.89 Crore and supplementary bills for Rs. 23.97 Crore. The claim also shows a sum total of Credit bills for Rs. 1.85 Crore.

The Energy bills claimed for Rs. **167.99 Crore** in the summary of Power Purchase bills data filed in the letter dated 06.02.2017 is found to be matching. On verification of the energy bills with reference to Tariff orders the Power Purchase cost admissible is found at **Rs.162.45Crore** for the true up of FY 2015-16 after adjusting 1% rebate. The Supplementary bills claimed for **Rs.23.97 Crore** represent for the period from 01.04.2009 to March 2016 and Credit bills for the period from 01.04.2009 to 31.03.2014. These bills include **Rs.1.57 Crore** towards interest claim.

The supplementary bills admitted for **Rs.20.55 Crore** after deducting interest and surcharge bills as shown in the summary data furnished on 06.02.2017.

Commission Considers the Power Purchase cost of NEEPCO at Rs.183.00Crore including supplementary bills (after adjusting for 1% rebate allowed by the NEEPCO for payment within 30days) for True up.

(iv) NHPC-Loktak:- (Rs. 6.92 Crore)

The Licensee claimed **Rs.10.22Crore** which includes Rs. 3.44Crore surcharge bills.

The Power Purchase bills include supplementary bills for the period FY 2013-14 and FY2014-15 for Rs. **2.30 Crore** and credit bills amounted to **Rs.0.21Crore**.

Commission approves Power Purchase cost at Rs. 6.92 Crore for true up FY 2015-16.

(v) MePGCL :- (Rs. 203.46 Crore)

The Licensee has claimed **Rs.205.79 Crore** for FY 2015-16 in the true up petition. Commission after prudent check with reference to the approved Tariff Order numbers considers Power Purchase cost at **Rs. 203.46 Crore** by adjusting 1% rebate allowed for prompt payment.

(vi) Bilateral Purchase

Commission has observed a mismatch in the Power Purchase cost and called for the details for Bilateral Purchase value with reference to energy and amount to be Considered for True up of FY 2015-16 vide letter dated 07.05.2018.

The Licensee has submitted further information and data vide their letter dated 01.06.2018 and copy of 9(nine) missing invoices were submitted to the Commission on 25.07.2018.

The Licensee has stated that the Bilateral Power Purchase cost was inadvertently considered in respect of MPPL swapping of **Rs.7.71 Crore** and requested the Commission to consider the claim at **Rs.8.66 Crore** for true up of the FY 2015-16.

The Revised data stated as detailed in table 6 here under:

Table 6: Revised data – Bilateral Purchase

(Rs.Cr)				
Sl.No	Particulars	As per petition	In MU	As per revised data Dt.01.06.2018
1	MPPL Swapping	7.71	272.94	8.66
2	a)Swapping GEPL	-	-	2.62
	b) Swapping ACL	-	8.49	-
	c) Swapping PTCIL	5.65	78.97	3.03
3	UI Purchase	0.12	15.98	1.75(Annexure A)
4	RE Charges (Short term open Access)	(-) 0.41	-	0.075(Annexure B)
5	Exchange MPPL	5.63	23.04	5.63(Annexure C)
	Total	18.70	399.42	21.76

The Licensee had not submitted the sale consideration through Exchange in the true up petition. But MePDCL has later submitted that Energy sale through Exchange during the period May 2015 till March 2016 amounted to **Rs.36.22 Crore**. The Impact of this sale shall be part of UI sales Revenue in the SOA vide Note 18.

Therefore Commission Considers the value of bilateral purchase of power from traders, exchange etc., as submitted by the Licensee vide their letter dated 01.06.2018.

Commission has verified the revised corrected data& invoices furnished vide their letter dated 06.02.2017, and observes the following variations.

1) MPPL Swapping

Out of the revised corrected claim for **Rs.8.66 Crore** a sum of **Rs.41.60** lakh represent for the period of FY 2016-17 (over lapping the period of claim) The invoice no.8956 Dt. 28.12.2015 for **Rs.84504.00** and Invoice no.9473 dt.03.02.2016 for **Rs.264767.00** are not made available.

The value of invoice No.10099 dt.18.03.2016 as claimed by MPPL is **Rs.415982.00**as against the value claimed for **Rs.420982.00**in the Summary of invoices dt.06.02.2017.

Thus the claim of **Rs.8.66 Crore** is limited to **Rs.8.21 Crore** after deducting **Rs.0.45 Crore** for true up of FY 2015-16.

2) MPPL (Exchange)

- a) The MePDCL claimed corrected figures against GEPL (Swap) for **Rs.2.62**Crore in the letter dated 01.06.2018. Whereas the summary of

GEPL dated 06.02.2017 represent the amount of **Rs.2.62 Crore** as surcharge. Hence not considered.

b) The Claim against PTCIL (swap) for **Rs.3.03 Crore** includes **Rs.0.27 Crore** towards surcharge. As such the claim is limited to **Rs.2.77 Crore** as per the summary statement dated 06.02.2017.

3) UI Purchase

The corrected UI purchases claim of **Rs.1.75 Crore** includes **Rs.1.07Crore** towards surcharge as per the summary statement dated 06.02.2017.

The Claim is limited to **Rs.0.68 Crore** for True up of FY 2015-16.

4) VAR (Reactive Energy Charges)

The Corrected claim of **Rs.0.075 Crore** includes **Rs.0.035 Crore** towards surcharge in the statement vide Annexure-B. Therefore the claim is limited to **Rs.0.04 Crore** for true up of FY 2015-16.

5) The corrected statement furnished vide Annexure-C for **Rs.5.63 Crore** towards bilateral purchase from Exchange through MPPL during April, May, July and September 2015 is found admissible.

The abstract of bilateral purchase cost is summarized in table 7 below:

Table 7: Abstract of Bilateral Purchase Cost

Sl. No	Particulars	As Claimed	As Admissible
1	MPPL Swapping	8.66	8.21
2	a) Swapping GEPL	2.62	Surcharge
	b) Swapping ACL	-	-
	c) Swapping PTCIL	3.03	2.77
3	UI Purchase	1.75	0.68
4	RE Charges (Short term open Access)	0.075	0.040
5	MPPL Exchange	5.63	5.63
	Total	21.765	17.33

Commission considers the Power Purchase cost as admissible for FY 2015-16 in the table 8 below

Table 8: Source wise Power Purchase Cost for FY 2015-16

Sl. No	Source	MSERC Approved T.O			MePDCL Actuals			Approved by MSERC TU		
		Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh
	NTPC									
1	Farakka	28.00	11.01	3.93	0.00	-0.17		0.00	-0.17	
2	Talchar	18.00	4.35	2.42	0.00	-0.09		0.00	-0.09	
3	Kahalgaon-I	15.00	5.87	3.91	0.00	-0.18		0.00	-0.18	
4	Kahalgaon-II	75.00	28.18	3.76	0.00	-1.10		0.00	-1.10	
									(-)1.54	
5	BTPS	-								
6	OTPC Pallatana	346.00	83.83	2.42	360.65	109.91	3.05	360.65	108.45	3.00
	NEEPCO	-								
7	Kopili Stage-I	85.00	8.66	1.02	76.61	93.58	12.21	76.61	8.20	1.07
8	Kopili Stage-II	8.00	1.41	1.76	7.23	0.94	1.29	7.23	1.33	1.84
9	Khandong HEP	17.00	5.5	3.21	19.19	3.7	1.91	19.19	5.63	2.93
10	Free Power (6%of Kopili I, II &Khandong)	58.00			56.12			56.12		
11	RANGANADI HEP	131.00	40.40	3.08	151.59	45.59	3.01	151.59	42.48	2.80
12	DOYANG HEP	23.00	10.27	4.47	17.66	10.93	6.19	17.66	9.07	5.14
13	AGTPP	105.00	40.14	3.82	90.57	34.69	3.83	90.57	30.29	3.34
14	AGBPP	187.00	63.90	3.42	199.01	80.65	4.05	199.01	65.45	3.29
15	Supplementary Bills								20.55	
16	Total NEEPCO							617.98	183.00	
	NHPC									
17	Loktak	50.00	15.33	3.07	1.69	10.22	60.48	1.69	6.92	4.09
	MePGCL									
18	Sonapani	5.00	0.91	1.82	6.24	1.02	1.64	6.24	1.01	1.62
19	Lakroh									
20	Umiam Stage-I	116.00	15.27	1.32	112.87	15.06	1.33	112.87	14.91	1.32
21	Umiam Stage-II	46.00	8.5	1.84	57.88	9.6	1.65	57.88	9.45	1.63
22	Umiam Stage-III	139.00	25.33	1.82	116.66	23.30	2.00	116.66	23.07	1.98
23	Umiam Stage-IV	207.00	25.31	1.22	183.79	23.90	1.30	183.79	23.66	1.29
24	Umtru HEP	39.00	4.75	1.22	1.38	2.45	17.79	1.38	2.43	17.61
25	Myntdu-Leishka	480.0	135.45	2.82	443.02	130.46	2.94	443.02	128.94	2.91
								921.84	203.47	
	Other Charges to MePGCL		5.50							
	Short Term									
26	Mittal Processors Pvt. Ltd. (MPPL) – Swapping				272.94	8.66	0.28	272.94	8.21	0.30
27	Mittal Processors Pvt. Ltd. (MPPL) – Exchange				23.04	5.63	2.45	23.04	5.63	2.44
28	Meghalaya Power Ltd. (MPL) - Banking				34.74	0.00	0.00	34.74	0.00	0.00

Sl. No	Source	MSERC Approved T.O			MePDCL Actuals			Approved by MSERC TU		
		Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh	Energy (MU)	Total Cost (Rs Cr)	Unit cost/ kWh
29	NTPC VidyutVyapar Nigam Ltd.				1.48		0.74	1.48	0.00	
30	Power Trading Corporation India Ltd (PTCIL) - Swapping				87.46	5.65	0.65	87.46	2.77	0.32
31	Unscheduled Interchange (UI)				15.98	1.75	0.08	15.98	0.68	0.04
	Total	2178.00	539.78	2.48	2337.79	613.17	2.62	2337.79	517.63	2.21

The Source-wise Power Purchase cost admitted for true up of FY 2015-16 in the statement is as detailed in table 9 below.

Table 9: Source-wise Power Purchase cost

(Rs.Cr)			
Sl.No	Source/Supplier	Claimed by MePDCL	Approved by MSERC
1	NTPC	(-) 1.54	(-) 1.54
2	OTPC Pallatana	109.91	108.45
3	NEEPCO	270.08	183.00
4	NHPC	10.22	6.92
5	MePGCL	205.79	203.47
	Sub Total (1 to 5)	594.46	500.30
	Bilateral Purchase		
6 (a)	Mittal Processors (Swapping)	8.66	8.21
(b)	Mittal Processors (Exchange)	5.63	5.63
(c)	GEPL (Swapping)	2.62	-
(d)	PTCIL	3.03	2.77
(e)	UI Purchase	1.75	0.68
(f)	RE Charges (Short term open Access)	0.07	0.04
		616.22	517.63

Commission approves Rs.517.63Crore towards Power Purchase cost for FY 2015-16 true up.

5. Transmission Charges

Licensee's Submission

The licensee has claimed Rs. 165.35 Crore towards transmission charges as detailed below for true up of FY 2015-16.

a) Inter-State Transmission Charges	Rs. 87.23Crore
b) Intra State Transmission Charges	Rs. 78.12 Crore
Total	<u>Rs. 165.35Crore</u>

Commission's Analysis

Commission had approved Interstate Transmission Charges (PGCIL) at Rs. 55.00 Crore and Intra state Transmission charges (MePGCL) at Rs.78.12 Crore in the Tariff orders for FY 2015-16.

As per the Regulation 87.1 of MSERC Regulation 2014, the transmission & wheeling charges paid for energy sold outside the state shall not be considered as expenses.

Regulation 88.1 specifies that SLDC charges paid for energy sold outside state shall not be considered as expenses for determination of Tariff.

Licensee has furnished summary of invoices for POC, non POC charges and ULDC charges for Rs. 86.17 Crore which include supplementary ULDC charges for FY 2014-15 at Rs. 2.71 Crore.

The Licensee has claimed PGCIL interstate transmission charges at Rs.87.23 Crore, whereas the summary details of invoices amounted to Rs. 86.17Croreincluding POSOCO fee & charges.

The POC bill no. 91300503 Dt. 03.12.2015 for Rs.1.74 Crore and POC bill no. 91300605 dt. 10.03.2016 for Rs.3.18 Crore represent arrears for the period 07/2011 to 6/2015 along with current year bill for the period 7/2015 to 9/2015 and arrears 7/2011 to 9/2015 along with current year bill for 10/2015 to 12/2015 respectively. Segregation of prior period charges is not made available.

Commission considers PGCIL charges at Rs. 86.17Crore as per the summary dt.06.02.2017for true up of FY 2015-16.

The transmission (Intra state) charges of MePTCL as claimed by the licensee for Rs. 78.12 Crore is considered for true up of FY 2015-16.

The Transmission charges at actuals Rs.164.29 Crore are approved for true up of FY 2015-16 as detailed in table 10 below.

Table 10: Transmission charges

Sl.No	Particulars	Approved	MePDCL Claimed	Approved for True up
1	Intra State Transmission Charges (PGCIL)	55	87.23	86.17
2	Intra State Transmission Charges (MePTCL)	78.12	78.12	78.12
3	Total	133.12	165.35	164.29

6. Energy Balance

Commission has verified the computation of T&D Loss vide table no.3 of the petition. Commission observed that the Licensee has computed the T&D losses on the Energy Sales to Assam for 29.17 MU. Licensee has not claimed intra state transmission losses, and surplus energy was not grossed up.

Commission has considered the T&D losses on the energy sold within the state as analysed in table 11 below.

Table 11: Approved Energy balance for FY 2015-16

Sl.No	Particulars	Approved for Tariff Order	MePDCL Petition	Approved for true up
1	Energy Purchased from ER MU	136	-	-
	Transmission loss %	2.12%	-	-
2	Energy Purchased from NER MU	1010	980	980.32
3	Total Energy MU	1143.1	980	980.32
	Transmission loss %	2.99%	3.20%	3.20%
4	Net Energy available at NERLDC MU	1108.9	948.95	948.95
5	Energy Purchase from MePGCL	1032	921.83	921.84
6	Less: Intra-Transmission Loss	4%	-	-
7	Net Energy Available for MePDCL	2055.28	1870.78	1870.78
8	Bilateral Purchase MU	-	435.65	435.65
9	Total Availability	2055.28	2306.43	2306.43
10	Energy Sales within the State MU	1049	1058.32	1029.15
11	Sales to Assam	19.0	-	29.17
12	Total Requirement for Meghalaya MU (Excl. Assam sales)	1068	1668.95	1623.00
13	Distribution Loss	23%	36.59%	36.59%
14	Distribution Loss in MU on item 10	-	610.63	593.85
15	a) Energy Requirement within the State	1387	1668.95	1623.00

Sl.No	Particulars	Approved for Tariff Order	MePDCL Petition	Approved for true up
	MU			
	b) Assam	-	-	29.17
16	Surplus MU (9-15)	668.28	637.47	654.26
17	Grossed up by 4% MU	696.13	-	-
18	Swapping MU	80.96	435.65	435.65
19	Surplus Power	615.17	637.47	637.47

The Licensee should have surplus power of 654.26 MU, where as only 637.47 MU has been accounted assale of surplus power outside the state including the Swapping. The cost of understated Surplus energy of 16.79 MU is valued at Rs.3.72Crore at average cost of power of Rs.2.21/Kwh is adjusted from the Net ARR.

7. Employee Expenses

Licensee's Submission

The Licensee has claimed Employee expenses at Rs. 124.18 Crore which includes Rs. 3.79 Crore being 1/3rd share of MeECL employee expense for true up of FY 2015-16.

Commission's Analysis

Commission had approved Rs.83.00 Crore for FY 2015-16 considering 9% escalation over the estimated expenses for the FY 2014-15.

The audited Statement of Accounts for FY 2015-16 disclosed an amount of Rs.120.39 Crore towards employee expense.

The MeECL employee Expense reported to be Rs. 11.37 Crore for FY 2015-16 as per the audited statement of Accounts. Apportionment of the MeECL employee expense at one third (1/3) works out to Rs.3.79 Crore.

Thus total,of employee expense of MePDCL amounted to Rs. 124.18 Crore,which is considered for true up of FY 2015-16.

8. R&M Expenses

Licensee's Submission

The Licensee has claimed R&M expenses at Rs.3.67 Crore including Rs. 0.05 Crore being 1/3 cost of MeECL for true up of FY 2015-16.

Commission's Analysis

Commission had approved a sum of Rs. 5.77 Crore in the Tariff orders for FY 2015-16. This expense has been estimated at 9% increase over the FY 2014-15 towards R&M Expenses.

As per the audited statement of Accounts vide Note 24, the R&M expenses is reported at Rs. 3.62 Crore.

Considering the apportionment of MeECL R&M expense at Rs. 0.05 Crore (being 1/3rd of Rs. 0.15), Commission considers Rs. 3.67 Crore for true up for the FY 2015-16.

9. Administrative & General Expenses

Licensee's Submission

The Licensee has claimed Rs. 8.27 Crore which include Rs. 1.02 Crore towards 1/3rd expense of MeECL for true up of FY 2015-16.

Commission's Analysis

Commission had approved Rs. 55.00 Crore in the Tariff orders for FY 2015-16. Considering the submission of MePDCL that, the employees cost of MeECL including pensions of past employees will be met from Administrative & General Expenses.

As per the audited statement of Accounts the Administrative & General Expenses for the MePDCL reported at Rs. 7.25 Crore.

The statutory Auditors for MeECL disclosed that company has deposited Rs.1.40 Crore with income Tax Authorities against the Demand for the assessment year FY 2009-10 and FY 2010-11 respectively, but the same have been wrongly debited as current year tax expense under the head "Income tax paid"

The 1/3rd share of MeECL Administrative & General Expenses excluding income tax worked out to Rs.1.02 Crore.

The Administrative & General Expenses considered at Rs. 8.27 Crore for true up of FY 2015-16.

10. Depreciation

Licensee's Submission

The Licensee has claimed Depreciation at Rs. 10.29 Crore for true up of FY 2015-16 which includes Rs. 0.23 Crore towards 1/3 Cost of MeECL Depreciation.

Commission's Analysis

Commission had approved Depreciation at Rs. 4.88 Crore in the Tariff orders considering 90% of the Capitalized assets were to be created out of the Govt. grants and Contributions and depreciation has been considered at 10% of the computed Depreciation for ARR.

As per the Regulation 33 of MYT Regulation 2014 Consumer Contribution or Capital subsidy/grant etc shall be excluded from the Asset value for the purpose of Depreciation.

As per the audited statement of Accounts the opening GFA, additions during the year, closing GFA, Depreciation there on is computed in the table below.

Table 12: Depreciation for the FY 2015-16

(Rs.Cr)		
Sl.No	Particulars	Amount
1	Opening GFA as on 31.03.2015	328.87
2	Additions during the year	9.98
3	Closing GFA	338.85
4	Average GFA(excl. Land value)	333.45
5	Depreciation rate %	4.72%
6	Depreciation	15.74
7	Average Grants & Contributions	119.66
8	Less: Depreciation on Grants & Contributions	5.65
9	Net Depreciation for MePDCL	10.09
10	1/3 rd of Depreciation of MeECL	0.23
11	Total Depreciation allowed for True up	10.32

Commission considering 1/3rd share of MeECL Depreciation for Rs. 0.23 Crore Approves Depreciation at Rs. 10.32 Crore for true up of FY 2015-16.

11. Interest and Finance Charges

Licensee's Submission

Licensee has claimed Interest and Finance Charges at Rs. 34.19 Crore for True up of Business for FY 2015-16.

Commission's Analysis

Commission had approved Interest on loan capital at Rs. 12.44 Crore for FY 2015-16 in the Tariff orders.

Commission had computed for determination of Tariff, the interest on loan capital, considering 90% of the Capital (expenditure) investment contributed by Govt. grants, only 10% of investment is met through loans. The rate of interest was adopted at 9.91% for interest calculation.

As per the Regulation 32.1 of MYT Regulation 2014, Interest and Finance charges on loan capital shall be computed on the outstanding loans taking into account the schedule of loans, repayment, terms and conditions of loan agreements and the lending rate.

The Licensee has not furnished any schedule of loans outstanding.

As per the audited statement of accounts, the loan schedule is drawn considering only admissible loan capital profile.

Table 13: Admissible Loan Capital Profile

Particulars	Rs. in Crore	Interest
9% PFC (R-APDRP-A)		
Opening loan	10.19	-
Additions	-	-
Repayment	-	-
Closing Balance	10.19	-
Interest for FY 2015-16		0.92
8% REC Restructured		
Opening Balance	43.47	-
Additions	-	-
Repayment	0.86	-
Closing Balance	42.61	-
Average Loan	43.04	-
Interest for FY 2015-16		3.44
9% PFC (R-APDRPA-B)		
Opening Balance	47.92	-
Additions	-	-
Repayment	-	-
Closing Balance	47.92	-
Interest for FY 2015-16		4.31
Admissible Interest		8.67

The Interest shall be admissible for loan capital as per Regulation 32.1 the outstanding loan is consistent with Regulation 27. The loans drawn for other than capital works shall not be admissible for interest computation.

Commission considers interest on loan capital at Rs. 8.67 Crore for True up of FY 2015-16.

12. Interest on working Capital

Licensee's Submission

Licensee has claimed Interest on working capital at Rs. 23.71 Crore for the FY 2015-16 for true up.

Commission's Analysis

As per Regulation 34.3, Interest on working capital shall be allowed on the following elements of ARR, at the rate of SBI MCLR prevailed on 1st April of the Financial year in which Tariff petition is filed.

Table 14: Interest on Working Capital

(Rs.Cr)		
Sl.No	Particulars	Amount
1	O&M Expenses for one month (Excl. MeECL Cost) (Rs.131.26/12)	10.94
2	Maintenance Spares at 1% of Opening GFA escalated at 6% (Opening Balance GFA Rs. 328.87 Crore)	3.49
3	Receivables equivalent to (2) two months at prevailing tariffs (Rs. 530.87 Crore)	88.48
	Total	102.91
	Interest at 14.75%	15.18

Commission considers Interest on working capital at Rs.15.18 Crore for true up of FY 2015-16.

13. Return on Equity

Licensee's Submission

Licensee has claimed Return on equity at Rs. 112.81 Crore for true up of FY 2015-16 projecting the average equity at Rs. 805.81 Crore.

Commission's Analysis

Commissions had approved ROE at Rs.9.43 Crore considering the equity contribution available for the undivided utility (MeSEB) at Rs.202 Crore allocated equally among GTD Corporations for the FY 2015-16.

Commission had considered Return on Equity based on the Debt-Equity ratio as per the books of Accounts in the review orders dated 30.03.2017. The Computation of ROE has been considered on the 30% of the GFA at 14% as per Regulation.

Regulation 31.1 of MSERC MYT Regulations 2014 specifies that Return on Equity shall be computed on the equity determined in accordance with Regulation 27 and shall not exceed 14%.

The Debt-equity ratio for the purpose of Tariff shall be 70:30 of the capital cost, as notified in the Regulations 2011.

Regulation 28.10 of MYT Regulations 2014 specifies that any grant received from the central or state Govt. or any statutory body or authority for execution of the project which does not carry any liability of re-payment shall be excluded from the capital cost for the purpose of computation of Interest on loan, return on equity and Depreciation.

The Capital Cost of the MePDCL for the FY 2015-16 is determined as per the audited statement of Accounts for the purpose of Return on equity in the table below:

Table 15: RoE

	(Rs.Cr)
Particulars	Amount
Opening GFA as on 31.03.2015	328.87
Additions during FY 2015-16	9.98
Closing GFA	338.85
Average GFA [(328.87+338.86)/2]	333.86
Less: Grants & Contributions (Average)	119.66
Capital Cost	214.20
30% Equity	64.26
ROE at 14%	9.00

Commission approves ROE at Rs. 9.00 Crore for true up of FY 2015-16.

14. Non Tariff Income & Other Income

Licensee's Submission

MePDCL has submitted that other Income received during the FY 2015-16 as per the audited statement of Accounts was at Rs. 13.51Crore as against Tariff Order estimates of Rs.85.36 Crore.

Commission's Analysis

Commission had estimated the Non Tariff Income and approved at Rs. 58.00 Crore in the Tariff Order for FY 2015-16.

The actual other income received as per audited statement of Accounts is as detailed below (Note 18)

a)

Table 16: Non-Tariff&Other Income

(Rs.Cr)

Sl.No	Particulars	Amount
1	RE Subsidy	14.53
2	Subsidy against Power Purchase	6.33
3	Subsidy against loss on account of Flood, Fire,Cyclone etc.	2.35
4	Revenue Grantfor other expenditure	0.51
	Sub Total	23.72
5	Meter Rent	2.43
6	Misc. Charges from Consumers	11.09
	Total	37.24

Following Other Income reported as per Statement of Accounts (Note 19)

Table 17: Other Income

(Rs.Cr)

Sl.No	Particulars	Amount
1	Interest on FD	3.76
2	Delayed Payment Surcharge	10.89
3	Other Miscellaneous receipts	0.27
	Sub-total for Note 19	14.92
4	Other Income	55.78
	Total	70.70

The Statement of Accounts of MeECL showed Rs. 2.58 Crore which includes Revenue grant for Rs. 1.64 Crore. The Revenue grant of **Rs.1.64 Crore** is apportioned to MePDCL and 1/3rd of balance other income of Rs. 0.94 Crore shall be apportioned to MePDCL as other income of MeECL at **Rs. 0.31 Crore**.

Summing up of the above, the non-Tariff Income & other income amounted to

	Rs. 37.24Crore
	Rs. 70.70 Crore
	Rs. 1.64 Crore
	Rs. 0.31 Crore
Total	Rs. 109.89Crore

- b) The C&AG has observed vide B₂ of the report that interest income from FD with Banks is under stated by Rs. 5.04 Crore, which was re-invested by the company during FY 2015-16. Commission considers that the Interest income shall be increased with the sum of Rs. 5.04 Crore vide Note 19 of Statement of Accounts.

The C&AG has observed in the audit report of MeECL for FY 2015-16 that the interest earned on fixed deposits has been re-invested again amounted to Rs. 24.91 Crore.

Commission Considers 1/3rd of interest at Rs.8.30 Crore as other income to be apportioned to MePDCL.

C&AG report of MeECL vide Note 21 reveals interest accrued on fixed deposits not included for Rs. 0.72 Crore. 1/3rd of Rs.0.72 Crore is apportioned at Rs.0.24 Crore as Other Income.

- c) On a query from Commission, MePDCL has submitted vide letter no. MePDCL/DD/T-450(Pt.III)2016-17/37 dated 22.02.2017 the additional information in Annexure-A, details of voltage wise open Access consumers and charges billed and collected for the FY 2015-16.

a) Application Fee	Rs. 0.06 Crore
b) SLDC Operating & Scheduling charges	Rs. 0.46 Crore
c) STU Charges	Rs. 15.09 Crore
d) Deviation Charges	Rs. 1.42 Crore
Total	<u>Rs. 17.03 Crore</u>

Commission Considers the Non-Tariff and other Income of MePDCL and MeECL as detailed below.

Table 18: Non Tariff& Other Income

		(Rs.Cr)
Particulars		Amount
Other Income (RE Subsidy & Grants)		23.72
Other Income	13.52	84.22
Non-Tariff& Other Income	70.70	
MeECL Revenue Grant		1.64
1/3 rd Other Income of MeECL		0.31
Sub Total (a)		109.89
As per C&AG report interest income		5.04
Interest on FD MeECL		8.30
C&AG report of MeECL, interest accrued on fixed deposits not included, 1/3 rd of Rs.0.72 Crore)		0.24
Sub Total (b)		13.58
Non Tariff Income Voltage wise Open Access consumers		17.03
Total		140.50

Commission approves Non-Tariff & Other Income at Rs.140.50Crore for true up of FY 2015-16.

15. Revenue From Sale of Surplus Power

Licensee's Submission

The Licensee has submitted that Revenue from sale of surplus power received was at Rs. 106.11 Crore for the FY 2015-16. The Energy balance as shown by the Licensee disclosed that surplus energy was 637.47 MU out of which 435.65 MU is sold on swapping basis.

Commission's Analysis

The Licensee had purchased power during the FY 2015-16 at 2337.79 MU as against 2178 MU approved in the Tariff Orders.

Commission had not approved any bilateral purchase, since there has been a surplus energy available than the Requirement for sale in the state of Meghalaya.

But the Licensee had purchased 435.65 MU bilaterally on swapping terms and exchange terms to meet the demand during lean period of Hydel generation.

The licensee has claimed Distribution loss at 36.59% as against 23% approved in the Tariff Orders.

The Revenue from UI sale others as per the Statement of Accounts received at Rs. 106.11 Crore.

Commission observed that the performance of the Licensee has been very poor with respect to Distribution loss and power procurement and Supply Management.

Commission considers Revenue from sale of surplus power at Rs.106.11 Crore for true up.

16. Revenue from Operations

Licensee's Submission

The Licensee has submitted that the Revenue assessed from sale of power for the FY 2015-16 is Rs.548.98 Crore for true up.

Commission's Analysis

The Revenue from sale of Power including sales to Assam assessed at Rs.548.98 Crore as per the statement of Accounts. The sales within state reported at 1029-15MU and sales to ASEB at 29.17 MU. The average billing rate amounted at Rs.5.16/Kwh as against Tariff orders rate Rs.5.78/Kwh.

Commission approves the Revenue from sale of Power at Rs.548.98 Crore for true up of FY 2015-16.

17. AT&C Loss for FY 2015-16

Licensee's Submission

The Licensee has submitted AT&C loss statement for FY 2015-16 as at Table 24 of the petition

Table 19: AT&C Loss for FY 2015-16 (Projected)

(Rs.Cr)

Particulars (MePDCL)	Amount
Opening balance of receivables from sale of power within the state	233.2617
Revenue from sale of power within the state in FY 2015-16	548.98
Total	782.2388
Less: Closing balance of receivables from sale of power within the state	270.1976
Revenue realized in FY 2015-16 from sale of power within the state	512.0412
Collection Efficiency (%)	93.27%
T&D losses (%)	36.59%
AT&C Losses (%)	40.85%

Commission's Analysis

Computation of AT&C loss as per the statement of accounts is drawn as detailed below.

Table 20: Computation of AT&C loss

(Rs.Cr)

Particulars (MePDCL)	Amount
Opening balance of receivables from sale of power within the state	233.2617
Revenue from sale of power within the state in FY 2015-16	530.87
Total	764.13
Less: Closing balance of receivables from sale of power within the state	270.1976
Revenue realized in FY 2015-16 from sale of power within the state	493.94
Collection Efficiency (%)	93.04%
T&D losses (%)	36.59%
AT&C Losses (%)	41.00%

The AT&C loss for the FY 2015-16 is drawn in the Format-D2(A) as per the audited statement of Accounts, and approved for true up analysis.

Table 21: Information regarding Distribution Loss and AT & C Loss of Licensee FY 2015-16

Sl. No	Particulars	Calculation	Unit	Previous Years (Actuals)	Current Year (R.E)	Ensuing Year (Projection)
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM	A	MU		2337.81	
2	Input energy (metered import) received at interface points of DISCOM network	B	MU		2337.81	
3	Input Energy (metered Export) by the DISCOM at interface point of DISCOM network	C	MU		666.64	
4	Total energy available for sale within the licensed area to the consumers of the DISCOM	D=A+B-C	MU		1623.00	
5	Energy billed to metered consumers within the licensed area of the DISCOM	E	MU		1029.15	
6	Energy billed to unmetered consumers within the licenses area of the DISCOM	F	MU		-	
7	Total Energy billed	G=E+F	MU		1029.15	
8	Amount billed to consumer within the licensed area of DISCOM	H	Rs.Cr		530.87	
9	Amount realized by the DISCOM out of the amount Billed at H#	I	Rs.Cr		493.93	
10	Collection efficiency (%) (=Revenue realized Amount billed)	$J=(I/H) \times 100$	%		93.04	
11	Energy realized by the DISCOM	K=JXG	MU		957.52	
12	Distribution Loss (%)	$L=\{(D-G)/D\} \times 100$	%		36.59%	
13	AT&C Loss (%)	$M=\{(D-K)/D\} \times 100$	%		41.00%	

AT&C loss Penalty

As per Regulation 83 of MSERC MYT Regulation 2014

83.1 The Licensee shall provide complete information of the total AT&C Losses during the previous year and that projected for the year for which the application is being made, including the basis on which such losses have been worked out.

Provided that it shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 3 percent during the year for which a Tariff Application is made. Any

shortfall in the projected level of AT&C losses for such year, in this regard, may be penalized by an amount equivalent to the cost of the quantum of energy to be lost due to inability of the licensee to plan and achieve reduction AT&C losses by a minimum of 3 percent from the previous year's level as may be allowed. Such amount shall be calculated at the average-over-all-unit-cost of sale of power, as approved by the Commission for such year.

The Licensee has reported AT&C loss for the FY 2014-15 at 37.71%.

The Licensee should reduce the AT&C loss by 3% as per Regulation 83.1, and target AT&C loss shall be $37.71 - 3 = 34.71\%$. Whereas the AT&C loss level for 2015-16 reported at 41% as analysed in the Format-D2(A) above.

Thus there has been an increase in the AT&C loss of 7.71% over the targeted level of AT&C loss.

Commission considers the AT&C loss penalty as detailed in the table 23 below.

Table 22: AT&C Loss Penalty

1	Actual AT&C loss for FY 2014-15	37.71%
2	Target level for FY 2015-16	34.71%
3	Actual AT&C loss for FY 2015-16 as per the Format D2(A)	41.00%
4	Short fall over the Targeted Level	7.71%
5	Total Sales for FY 2015-16 MU	79.35 MU
6	Average billing of Revenue for FY 2015-16	Rs.5.78/Kwh
7	Penalty to be levied on the short fall	Rs.44.56 Cr

Commission considers the penalty for Non achievement of AT&C loss target for the FY 2015-16 at Rs.44.56 Crore to be adjusted from Net ARR.

18. Impact of APTEL Judgment on True-Up for FY 2010-11

Licensee's Submission

MePDCL has submitted that as per the Judgment of Honorable APTEL in Appeal no.74 of 2015, the bilateral Power Purchase cost for FY 2010-11 disallowed for Rs.2.39 Crore in the True up exercise may kindly be allowed to be recovered in the ARR and the Tariff Order for FY 2018-19.

Commission's Analysis

MePDCL has submitted the claim in their letter no. MEPDCL/SE(RA)/54(D)/Pt-III/2017-18/22 dated 1st February 2018.

Since, the claim is received belatedly after the 30th November 2017, Commission could not consider the claim of the licensee in the ARR and Tariff Order for FY 2018-19.

Commission considers the gap of Rs.2.39 Crore towards bilateral Power Purchase cost for FY 2010-11 to be recovered along with true up gap of FY 2015-16.

Commission after prudent check of the True up Petition for FY 2015-16 with reference to Audited(C&AG) Accounts, and additional information/data, has approved the true up ARR as detailed below:

Table 23: Approved ARR for FY 2015-16 True up

(Rs.Cr)				
Sl.No.	ARR Element	Approved in review Tariff Order 11.08.2015	MePDCL Actuals	Approved for True up
1	Power Purchase Cost	539.78	613.17	517.63
2	Transmission charges (PGCIL)	55.00	86.15	86.17
3	Transmission Charges (MePGCL)	78.12	78.12	78.12
4	Employee Expenses	83.00	124.18	124.18
5	Repairs & Maintenance Expenses	5.77	3.67	3.67
6	Administrative & general Expenses	55.00	8.27	8.27
7	Depreciation	4.88	10.29	10.32
8	Interest & Finance Charges	12.44	34.19	8.67
9	Interest on Working Capital	17.35	26.38	15.18
10	Other Debts (Incl. Provision for bad Debts)	3.00	-	-
11	Prior period Charges (Credits)	-	-	-
12	Income Tax	-	-	-
13	Return on Equity	9.43	112.81	9.00
	Gross ARR	863.77	1098.32	861.21
14	Less:Non-Tariff Income& Other Income, C&AG observations & Open Access Wheeling charges.	58.00	90.29	116.78
15	Less:Cross Subsidy Surcharge	9.86	-	-
16	Less:RE Subsidy	17.50	14.53	14.53
17	Less:Subsidy against Power Purchase	-	6.33	6.33
18	Less:RE Subsidy loss on Account of Flood Fire, Cyclone etc	-	2.35	2.35

Sl.No.	ARR Element	Approved in review Tariff Order 11.08.2015	MePDCL Actuals	Approved for True up
19	Less:Revenue Grant on other Expenditure	-	0.51	0.51
20	Less:Amortization of grants (Note 23 of SOA)			4.73
21	Less:Penalty for Non-achievement of AT&C loss			44.56
22	Net ARR	778.41	984.31	671.42
23	Less:Revenue from sale of Surplus Energy	199.93	106.11	106.11
24	Less: Recovery of energy balance variation	-	-	3.72
25	Less:Revenue from sale of Power(incl. Assam)	611.96	548.98	548.98
26	Net Gap (Surplus)	(-33.48)	329.22	12.61
27	Add: Bilateral Power Purchase for FY 2010-11 as per the APTEL Directive in Appeal No.74/2015 on 19.07.2017	-	-	2.39
28	Total GAP	(-33.48)	329.22	15.00

The Revenue Gap shall be appropriated in the next Tariff orders.