



**MEGHALAYA STATE ELECTRICITY REGULATORY
COMMISSION SHILLONG**

Front Block Left Wing, 1st Floor, New Administrative Building,
Lower, Lachumiere, Shillong, Meghalaya 793001

Order on Case No. 05 of 2024

**Petition of the Meghalaya Power Transmission Corporation Ltd for approval of True
Up of Transmission Business for FY 2023-24.**

Coram

Shri. Chandan Kumar Mondol, Chairman

Shri. Ramesh Kumar Soni, Member (Law)

Petitioner:

Meghalaya Power Transmission Corporation Ltd. (MePTCL)

Lum Jingshai, Short Round Road,
Shillong – 793 001

Order

(Dated: 22.03.2025)

The Government of Meghalaya has notified the Power Sector Reforms Transfer Scheme 2010, leading to restructuring and unbundling of erstwhile Meghalaya State Electricity Board (MeSEB) into four entities. Accordingly, Meghalaya Power Transmission Corporation Limited (MePTCL) has started functioning as a segregated commercial operation utility independently for power transmission in the state of Meghalaya with effect from 1st April 2013.

This Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act (EA), 2003 and all other powers enabling it in this behalf, and after taking into consideration the submissions made by MePTCL, suggestions/objections received from the stakeholders upon public consultation process, and upon considering all other relevant material herein, has already issued Order for the True-Up of Transmission Business for FY 2022-23 dated 18.10.2024.

This Commission in exercise of its functions vested vide Regulation 16 of MSERC Multi Year Tariff Regulations, 2014 being read along with its subsequent amendments had approved Aggregate Revenue Requirement (ARR) & Transmission Tariff for FY 2023-24 vide Tariff Order dated 30.03.2023.

Further in accordance with the applicable regulatory provisions set out vide Regulation 14 of the MSERC Multi Year Tariff Regulations, 2014 being read along with its subsequent amendments specifies the following:

“The Generating Company or Transmission Licensee or Distribution Licensee shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations.”

The Petitioner herein being MePTCL, has filed a Petition for Truing up of Transmission Business for FY 2023-24 & Revised Aggregate Revenue Requirement for FY 2025-26 and Determination of Transmission Tariff for FY 2025-26 on 29th November 2024.

In this order, the Commission shall undertake true-up of the previous year’s expenses and revenue considered with reference to Audited Statement of Accounts made available subject to prudence check including pass through of impact of uncontrollable factors (if any).

Further, this Commission taking into consideration all the facts and additional information/data and prudence check as per the Regulations with reference to the audited annual accounts, after hearing the Petitioner and Stakeholders, approves True Up of Transmission Business for FY 2023-24 and the detailed analysis is annexed to this order.

This Commission also notifies that the impact of true up gap/ surplus shall be appropriated in the next Tariff Order.

Sd/-

**Ramesh Kumar Soni,
Member (Law)**

Sd/-

**Chandan Kumar Mondol,
Chairman**

Table of Contents

1.	BACKGROUND AND BRIEF HISTORY	5
1.1.	Background	5
1.2.	Facts about this Case	5
2.	TRUE UP OF TRANSMISSION BUSINESS FOR FY 2023-24 FOR MEPTCL	7
2.1.	Performance Highlights	7
2.2.	Gross Fixed Assets	10
2.3.	Grant Adjustment and Funding Pattern	16
2.4.	Return on Equity	21
2.5.	Depreciation	23
2.6.	Interest and Finance Charges	28
2.7.	Operation and Maintenance Expenses	33
2.8.	Interest on Working Capital	39
2.9.	Non-Tariff Income	42
2.10.	Revenue from Transmission Business	44
2.11.	SLDC Charges and SLDC ARR	45
2.12.	Accrued Terminal Liabilities	45
2.13.	Aggregate Revenue Requirement for FY 2023-24	48
2.14.	Revenue Gap/Surplus	50
3.	SUMMARY OF ORDER FOR MEPTCL.	52
4.	COMMISSION'S DIRECTIVES	53
5.	APPLICABILITY OF THE ORDER	57

List of Tables

Table 1: Details of Growth in Infrastructure Claimed for FY 2023-24	7
Table 2: Details of completed key projects claimed for FY 2023-24.....	8
Table 3: Transmission System Availability and Transmission Losses Claimed for FY 2023-24.....	9
Table 4: Gross Fixed Assets Claimed for FY 2023-24	10
Table 5: Commission’s observation on CWIP transfer to Property, Plant and Equipment for FY 2023-24	12
Table 6: Commission’s observation on Office Equipment for FY 2023-24.....	12
Table 7: Commission’s observation on Note 3.3 of Statement of Accounts for FY 2023-24	13
Table 8: Approved Gross Fixed Assets of MePTCL for FY 2023-24	15
Table 9: Capital Structuring Claimed for 2023-24.....	16
Table 10: Approved Grant adjustment and funding pattern for FY 2023-24	20
Table 11: Return on Equity Claimed for FY 2023-24.....	21
Table 12: Approved Return on Equity for FY 2023-24	23
Table 13: Computation of Depreciation Claimed for FY 2023-24.....	24
Table 14: Approved Depreciation for FY 2023-24.....	27
Table 15: Computation of Weighted Average Rate of Interest Claimed for FY 2023-24.....	28
Table 16: Calculation of Interest on Loan Claimed for FY 2023-24.....	28
Table 17: Approved Computation for Weighted Average Rate of Interest for FY 2023-24.....	32
Table 18: Approved Interest on Loan for FY 2023-24	33
Table 19: Employee Expenses Claimed for FY 2023-24.....	33
Table 20: R&M Expenses Claimed for FY 2023-24.....	34
Table 21: A&G Expenses claimed for FY 2023-24.....	35
Table 22: Employee Expenses approved for FY 2023-24	37
Table 23: Approved R&M Expenses for FY 2023-24.....	38
Table 24: Approved A&G Expenses for FY 2023-24.....	38
Table 25: Total Approved O&M Expenses for FY 2023-24	39
Table 26: Claimed Computation of Interest on Working Capital for FY 2023-24	40
Table 27: Approved Interest on Working Capital for FY 2023-24.....	41
Table 28: Details of Non-Tariff Income claimed for FY 2023-24.....	42
Table 29: Approved Non-Tariff and Other Income for True up of FY 2023-24	43
Table 30: Details of Revenue from Transmission Business claimed for FY 2023-24	44
Table 31: Approved Revenue from Operations for FY 2023-24.....	45
Table 32: Aggregate Revenue Requirement claimed for FY 2023-24.....	48
Table 33: Modified Aggregate Revenue Requirement claimed for FY 2023-24	48
Table 34: Approved Aggregate Revenue Requirement for True up of FY 2023-24.....	49
Table 35: Revenue Gap Claimed for FY 2023-24.....	50
Table 36: Approved Revenue Gap for FY 2023-24.....	50
Table 37: Summary of Approved ARR figures for True-Up of FY 2023-24.....	52
Table 38: Commission’s Directive.....	53

1. Background and Brief History

1.1. Background

- 1.1.1. The power transmission in the state of Meghalaya is carried out by Meghalaya Power Transmission Corporation Limited (MePTCL), a wholly owned subsidiary of Meghalaya Energy Corporation Limited (MeECL).
- 1.1.2. The power supply industry in the state of Meghalaya has been under the governance of erstwhile Meghalaya State Electricity board (MeSEB) since 21st January 1975. However, the Government of Meghalaya has notified the Power Sector Reforms Transfer Scheme 2010, leading to restructuring, and unbundling of erstwhile Meghalaya State Electricity Board (MeSEB) into four entities. After notification of amendment to the Power Sector Reforms Transfer Scheme by the State Government on 1st April 2012, the un-bundling of MeECL into MePDCL, MePGCL and MePTCL came into effect.
- 1.1.3. Accordingly, Meghalaya Power Transmission Corporation Limited (MePTCL) (*herein referred to as "Petitioner"*) has started functioning as a segregated commercial operational utility independently for power transmission in the state of Meghalaya with effect from 1st April 2013.
- 1.1.4. The MSERC (*herein referred as "Commission"*) is an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, which was superseded by Electricity Act (EA), 2003. The Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.
- 1.1.5. In exercise of the powers vested vide Regulation 16 of the MSERC Multi Year Tariff Regulations, 2014, the Commission had approved Multi Year Aggregate Revenue Requirement (ARR) & Transmission Tariff for FY 2021-22 to FY 2023-24 vide MYT Order dated 25.03.2021 in Case No. 03 of 2021. The Revised ARR for the FY 2023-24 was further approved vide order dated 30.03.2023 in Case no. 26 of 2022- "*Aggregate Revenue Requirement and Transmission Tariff and Open Access Charges for FY 2023-24 for MePTCL*".

1.2. Facts about this Case

- 1.2.1. The Petitioner, in compliance with the Regulation 11.2 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 being read along with its subsequent amendments has filed its application for Truing Up of Transmission Business for FY 2023-24 dated 29.11.2024.
- 1.2.2. This Commission dated 04.12.2024 had admitted the Petition provisionally directing MePTCL to publish abstract of the Petition in two consecutive issues in local dailies in Khasi, Jaintia, Garo and English.

- 1.2.3. Subsequently on 09.12.2024 & 10.12.2024 abstract of the Petition were published in The Shillong Times- Shillong Edition, U Nongsain Hima and Salantini Janera, inviting objections/suggestions from stakeholders within 30 (thirty) days from the date of publication.
- 1.2.4. This Commission on 07.02.2025 & 10.02.2025 published notices for Public Hearing in the daily locals viz Shillong Times, Shillong & Tura Edition, and U Nongsain Hima.
- 1.2.5. On 04.03.2025, in compliance of the due regulatory procedures public hearing of the submitted application for Truing Up of Transmission Business for FY 2023-24 dated 29.11.2024 was conducted in the presence of the Petitioner and the stakeholders.
- 1.2.6. This Commission, during the process of evaluating the submitted application for Truing Up of Transmission Business for FY 2023-24, had received objections/suggestions from Byrnihat Industries Association (BIA) dated 23.01.2025. The Petitioner has accordingly submitted its replies / responses to the issues raised by the stakeholders during the process which has been noted by this Commission.
- 1.2.7. The Commission has noted all replies/ responses received from the Petitioner and the Stakeholders raised during the public consultation process. The Commission's analysis and ruling thereon are elaborated in the following sections.
- 1.2.8. Further, Regulation 11.5 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 stipulates the following:
"11.5 The scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:
a) a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year, subject to the prudence check including pass-through of impact of uncontrollable factors;
b) Review of compliance with directives issued by the Commission from time to time;
c) Other relevant details, if any."
- 1.2.9. Further, the apportionment of MeECL expenses shall be regulated as per the Commission's previous notifications and directives subject to prudence check.

2. True Up of Transmission Business for FY 2023-24 for MePTCL

2.1. Performance Highlights

Transmission Infrastructure

Petitioner's Submission

- 2.1.1. The Petitioner has submitted that there has been substantial growth in terms of the infrastructure, which shows the Petitioner's commitment to improve the performance catering to the growing demand of the consumers in an efficient manner.
- 2.1.2. The key physical achievements submitted by the Petitioner are highlighted below:

Table 1: Details of Growth in Infrastructure Claimed for FY 2023-24

Substation (in MVA)		
	FY 2022-23	FY 2023-24
400 KV	630	630
220 KV	520	1160
132 KV	640	840
Total	1790	2630

Transmission Lines (in Ckm)		
	FY 2022-23	FY 2023-24
400 KV	4.648	4.648
220 KV	226.84	365.16
132 KV S/C	538.72	538.72
132 KV D/C	708.844	708.844
132 KV M/C	15.96	15.96
Total	1495.012	1633.332

Respondents' submission in this regard

- 2.1.3. BIA has stated that while the Petitioner has submitted of substantial growth in transmission infrastructure during FY 2023-24, however, no details of the added sub-stations and lines have been given by MePTCL (the Petitioner) to transparently establish the manner in which the transmission infrastructure in the State has been expanded through such asset addition. In this regard, BIA has asked that Petitioner must necessarily provide the details of asset augmentation before claiming any additional capitalization in respect thereof.
- 2.1.4. BIA has further mentioned that under the Business Plan for the 3rd MYT Control Period from FY 2021-22 to FY 2023-24 as approved by the Commission vide Order dated 28.9.2020 passed in Case No.15/2020, the Commission had provisionally approved the scheme-wise Capital Investment Plan for the said MYT Control Period in which upcoming/new schemes,

including transmission lines and sub-stations for each Financial Year in the Control Period have been approved line-wise and sub-station wise along with their provisional capex projections.

- 2.1.5. BIA therefore has requested that it is necessary for the Petitioner to provide the details of transmission infrastructure stated to have been added by the Petitioner, so as to ascertain if the same has been in accordance with the Capital Investment Plan approved by the Commission.

MePTCL’s Response to Respondent’s submissions

- 2.1.6. The Petitioner has submitted that it has always been committed towards the improvement of the transmission network and ensuring that there is no congestion, and the consumers enjoy the uninterrupted & continuous power. As a way forward to achieve these goals, the Petitioner has added the capacity in FY 2023-24 in accordance with the approved business plan. The Petitioner has provided the details of some of the key projects that have been completed in this year as under:

Table 2: Details of completed key projects claimed for FY 2023-24

Project	Unit of Measurement	Capacity added
Construction of 132 kV D/C Ampati- Phulbari Line	Ckt. Km	138
Reconductoring of 132 kV Khliehriat Lumshnong-Panchgram S/C line with HTLS conductor	NA	NA
Installation, Testing and Commissioning of IT solution of Scheduling, Accounting, Metering and Settlement of Transaction (SAMAST)	NA	NA
Construction of 132/33 kV, 2x50 MVA Substation at Phulbari	MVA	100
Construction of 220/132 kV, 2x160 MVA Substation at New Shillong	MVA	320
Construction of 132/33 kV, 2x50 MVA Substation at New Shillong	MVA	100
LILO of MLHEP to Khliehriat Line	NA	NA
Construction of 132/33 KV Sub-Station at Mynkre	MVA	100
Construction of 132/33 KV Sub-Station at Phulbari	MVA	100

- 2.1.7. The Petitioner has also submitted that the capitalization has been done strictly in accordance with the business plan approved by the Commission barring few minor assets that have been directly capitalized from division as per requirement.

Commission’s Analysis

- 2.1.8. The Commission duly notes the submissions of BIA. The Commission directs the Petitioner that the investment plan projected for construction of Transmission lines and substations should be executed as approved by the Commission.

- 2.1.9. The Commission also acknowledges the point raised by BIA that the Petitioner is required to submit the details of Additional capitalization executed during the year and then the Commission will duly approve the Additional Capitalization during True-Up process subject to submission of supporting documents and prudence check. The petitioner shall prioritize the execution of works for which Govt. grants and contributions are available with the utility under ongoing / new schemes. If there is any delay/spillover of the schemes for Construction/Upgradation of Transmission lines and substations, then the Petitioner should submit a relaxation request application to the Commission with valid justifications and the Commission will with due cognizance of the same and pass appropriate orders to the same.

Transmission System Availability Factor & Transmission losses

Petitioner's Submission

- 2.1.10. The Transmission System Availability Factor and Transmission loss for FY 2023-24 as submitted by the Petitioner is tabulated below:

Table 3: Transmission System Availability and Transmission Losses Claimed for FY 2023-24

Particulars	FY 2023-24
Transmission System Availability (%)	98.70
Transmission Loss (%)	2.82

- 2.1.11. The Petitioner has prayed to approve the Transmission System Availability Factor of 98.70% and Transmission Loss of 2.82% for FY 2023-24.

Respondents' submission in this regard

- 2.1.12. BIA has objected that though the above is in consonance with the normative transmission availability factor provided in Regulation 70.3 of the MYT Regulations, 2014, there is a decrease in system availability from 99.22% in FY 2022-23 for which no explanation has been provided in the current petition. Hence, BIA has requested the Commission to kindly approve the transmission availability factor and transmission losses as claimed by the Petitioner for FY 2023-24 subject to prudence check.

MePTCL's Response to Respondent's submissions

- 2.1.13. The Petitioner has submitted that Regulation 70.3 of Tariff Regulations, 2014 requires Normative Annual Transmission Availability Factor (NATAF) of the Transmission System to be 98% and in line with the regulation, the Petitioner is in compliance to the same. Additionally, the Petitioner mentioned that it has maintained normative NATAF in-spite of unforeseeable emergency shutdown of 400/220 KV 160 MVA ICT 2 with effect from 06.01.2024 to 20.01.2024.

Commission's Analysis

- 2.1.14. The Commission approves the Petitioner's submission in terms of Physical Performance highlights. Further, the Commission directs the Petitioner to constantly strive to put in efforts to enhance its overall transmission system efficiency & availability for the benefit of all stakeholders.

2.2. Gross Fixed Assets

Petitioner's Submission

- 2.2.1. The Petitioner has made its submissions considering the opening Gross Fixed Assets in line with the Order issued dated 18.10.2024 in case no. 35 of 2024 for Truing Up of Expenses of Transmission Business for FY 2022-23. The Petitioner has stated that the addition and deletion of assets have been considered at actuals as per the audited statement of accounts. The Gross Fixed Assets as claimed by the Petitioner for the concerned period is represented in the table below:

Table 4: Gross Fixed Assets Claimed for FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
Opening Gross Fixed Assets	545.41
Addition to Gross Fixed Assets during the year	112.13
Deletion to Gross Fixed Assets during the year	0.00
Closing Gross Fixed Assets	657.54

Respondents' submission in this regard

- 2.2.2. BIA has objected to consider and approve the Additional Capitalization during the year of Rs 112.13 Cr, as neither the details with substantiating documents, nor the nature of addition to the GFA have been submitted by the petitioner for its claim, due to which GFA Addition as per the approved Business Plan cannot be ascertained. BIA hereby has proposed for consideration of the same Opening & Closing GFA of Rs. 545.41 Cr. i.e. Nil Additional Capitalization.
- 2.2.3. BIA has additionally submitted that Petitioner has claimed only Rs 112.13 Cr for Capitalization, whereas the Commission provisionally approved Rs 977 Cr in Business Plan, indicating that the Petitioner has not been properly utilizing the Scheme wise fund i.e. most of the under implementation/ upcoming/ new schemes are inordinately delayed which is ultimately expected to result in time & costs over-runs. In turn, BIA has also stated that such spillover cost will increase burden on the Consumers. In the above context, BIA has requested the Commission to direct the Petitioner to provide the status of each of the said schemes along with spillover details.

MePTCL's Response to Respondent's submissions

- 2.2.4. The Petitioner, in response to the objections raised by BIA, has submitted that the claim of additional capital expenditure is as per the approved business plan. The Petitioner further submitted that the claimed GFA is as per the Statement of Accounts duly audited by the statutory auditor appointed by CAG and also opined that the Petitioner has adequately taken care of spill over, if any, in the completion of the schemes.

Commission's Analysis

- 2.2.5. The Commission noticed that the Petitioner has submitted the Opening Gross Fixed Asset in line with the Closing GFA of previous True-Up order approved by the Commission.
- 2.2.6. The Commission, vide First Additional Information requirement dated 02.01.2025, has sought the accurate funding pattern substantiated by Auditor Certificate for FY 2023-24 and accordingly in response, the Petitioner has submitted the Auditor's certificate which reflects an Additional Capitalization of Rs. 112.12 Cr., which is in line with Financial Statement (Rs 112.13 Cr) of FY 2023-24. The Commission observes that the minor difference in the above figures is due to rounding off the total amount.
- 2.2.7. The Petitioner was directed vide Second Additional Information requirement dated 18.02.2025, to provide Fixed Asset Register for FY 2023-24 as required by the Companies Act. In reply the Petitioner stated that as of now it would be difficult to produce the fixed asset register as per the requirement of the Commission. Hence, the Petitioner has requested the Commission to allow to submit the Fixed Asset Register before the truing up of FY 2024-25.
- 2.2.8. The Commission noticed that the Auditor Report of FY 2023-24 states a dispute about the Internal Financial Control over existence, completeness, valuation & allocation of fixed assets. In this regard, vide Second Additional Information requirement dated 18.02.2025, sought by the Commission, the Petitioner was directed to clarify on the issue supported by appropriate documentation and mitigation measures in respect of the Internal Financial Control. Additionally, the Petitioner was directed to explore options and submit a report to the Commission regarding MePTCL's views towards conduct of Third-Party Physical Verification of assets along with timeline to complete the same within 3 months. In response to this query, the Petitioner has submitted that it has already taken note of the auditor's remarks and requested to allow to submit the Fixed Asset Register before the truing up of FY 2024-25.
- 2.2.9. The Commission vide Second Additional Information requirement dated 18.02.2025, has further sought a detailed breakup of asset-wise and line item-wise additions and deletions from the Gross Fixed Assets (GFA) for FY 2023-24 duly certified by Auditor for ensuring proper governance, transparency and

accurate reporting of financial and operational management of fixed assets. In response the Petitioner has submitted the Detailed Asset wise and line-item wise addition to GFA certified by auditor. The Commission observed that the submission is in line with Audited Statement of Accounts.

- 2.2.10. Further the Commission has directed the Petitioner to submit Asset class wise and Item-wise detailed breakup for the amount of Rs 4.72 Cr of assets addition mismatch as represented in the table below, between what was shown as addition in PPE as per statement of account & what is shown as addition through CWIP, duly certified by Auditor, as shown below,

Table 5: Commission's observation on CWIP transfer to Property, Plant and Equipment for FY 2023-24

CWIP to PPE	Amount (in Rs)
Addition in PPE (Booked under PPE as per Note 2 of SOA)	1,12,12,51,993
Addition through CWIP	1,07,40,13,127
Difference	4,72,38,866

In reply of the above query, the Petitioner has claimed that the difference in figure as shown in the above table is due to the directly capitalized assets from the concerned division and the auditor's certificate in this regard has also been submitted.

- 2.2.11. The Petitioner, vide Second Additional Information requirement dated 18.02.2025, was further directed to submit the details of its capital expenditure wherein insurance has been claimed. The above details should be substantiated by necessary supporting documents, duly certified by Auditor for FY 2023-24. In reply, the Petitioner submitted that there has not been any insurance claim accounted in the FY 2023-24 and the auditor's certification in this regard has also been submitted, as depicted below,

"A per verification of books of Accounts of Meghalaya Power Transmission Corporation Limited, we hereby certify that during Financial year 2023-24 Meghalaya Power Transmission Corporation Limited has not accounted the receipt against Insurance Claim against its Plant & Machinerics."

- 2.2.12. The Commission observed from the Trial Balance that the Petitioner has claimed 'Addition to Office equipment' of Rs 12.49 Cr as per Note 2 of Financial Statement. However, Trial Balance reflects Rs 12.47 Cr for Addition to Office Equipment. The details are shown below,

Table 6: Commission's observation on Office Equipment for FY 2023-24

Office Equipment	Amount (in Rs)
10.900 IndAS (Original Cost - Office Equipment)	-
10.901 (Typewriters)	36,897
10.902 (Photo Stat Machines)	1,41,921
10.904 (C) (PURCHASE OF COMPUTERS)	23,89,587

Office Equipment	Amount (in Rs)
10.904 (Other (Not Specified))	46,27,193
10.904 (SLDC APS)	45,84,423
10.904 (SLDC Hardware)	5,78,47,438
10.904 (SLDC Software)	5,65,20,797
As Per Trial Balance	12,47,01,686
As per Financial Statement	12,49,05,174
Difference	-2,03,488

In light of this, the Commission has sought clarification for this difference of Rs 2,03,488 (INR) (i.e. Rs 0.02 Cr) in Office Equipment expense along with an Auditor Certificate to justify its claim.

The Petitioner was further directed to provide the breakup of Rs 46,27,193 (INR) under “10.904 (Other (Not Specified))” as mentioned in Line-Item number 5 of the above table.

The Petitioner, in response to this direction, clarified that the statement of accounts has been audited by the statutory auditor appointed by CAG and hence there cannot be any difference between the figures in PPE sheet and the Trial Balance.

Upon review of the response, the Commission further noticed that there is no explanation submitted by the Petitioner for the details of the amount Rs 46,27,193 (INR) under “10.904 (Other (Not Specified))”.

- 2.2.13. The Commission, in observation of year on year (YoY) significant increase in Additional Capitalization between Approved True Up order for FY 2022-23 dated 18.10.2024 vide Table 4 (Rs 36.96 crore) and claimed by the Petitioner for FY 2023-24 (Rs 112.13 crore), sought the justification for this increase in Additional Capitalization vide Second Additional Information requirement dated 18.02.2025. The Petitioner, in response, has submitted that the additional capitalization has been claimed as per Approved Business Plan for third control period. The Petitioner further mentioned that, in the business plan, the Commission has approved a capitalization of Rs. 977 Crore against which the capitalization has been claimed of Rs. 112.13 Crore only. Further, with regards to comparison of additional capitalization with FY 2022-23, the Petitioner has submitted that the capitalization during the year depends on the schemes completed and capitalized during the year.
- 2.2.14. The Petitioner vide Second Additional Information requirement dated 18.02.2025 was directed to submit the Asset class wise and Line-item wise detailed breakup and reconciliation for each line item of the table below as per Note 3.3 of financial statement,

Table 7: Commission’s observation on Note 3.3 of Statement of Accounts for FY 2023-24

Sl. No.	Particulars	Year ending 31.03.2024
1	Capitalised during the year	1,07,40,13,127

2	Rectification entry	76,52,46,482
3	Swapping/Transfer Entry	10,90,82,598
	Total	1,94,83,42,207

The Commission takes due cognizance of the fact that despite several reminders the Petitioner had not submitted any response of the above query.

- 2.2.15. The Commission has noticed that the Auditor Report of FY 2023-24 states a dispute about the Internal Financial Control mechanism for transfer from CWIP to PPE, the Petitioner, vide Second Additional Information requirement dated 18.02.2025, was directed to submit its justification with appropriate documentation about the Internal Financial Control.

The Commission has noticed that the Petitioner had not submitted any response of the above query.

- 2.2.16. The Petitioner vide Second Additional Information requirement dated 18.02.2025 was directed to properly justify the discrepancy of Rs 67.20 Cr (approx.) between Deductions/Adjustments of Capital-Work-in-Progress (amounting to Rs 44.93 Cr) as per Note 3 of State of Accounts for FY 2023-24 and (Rs 112.13 Cr) claimed under the Addition of Property, Plant and Equipment in Note 2 of State of Accounts., supported by Auditor Certificate. In addition to the above, the Petitioner was asked to provide a detailed reconciliation of the Rs 112.13 Cr CWIP balance wherein Rs 44.93 Cr should have been eventually capitalized and moved to GFA.

The Commission takes a note of the fact that the Petitioner has failed to provide any reply of the above query sought by the Commission.

- 2.2.17. The Commission observed in 'Capital work in progress (CWIP) Ageing Schedule' (Note 3.4) that Rs 6.82 Cr has not been capitalized for more than 3 years and additional Rs. 82.67 Crore has been further added in the same projects during last 3 years. In this regard, the Petitioner vide Second Additional Information requirement dated 18.02.2025, was directed to submit the reasoning with detailed clarification for this amount under CWIP for a long period. The Petitioner was further directed to submit project wise CWIP details along with project starting date. The Petitioner, in reply, submitted the Auditor Certificate where practically Auditor has reiterated the table of 'Capital work in progress (CWIP) Ageing Schedule' (as per Note 3.4) with an Additional Column of Remarks showing the bifurcation of CWIP under Ongoing Project and CWIP under Legacy issue along with the corresponding Date of Commencement/ Date of Booking.

- 2.2.18. Based on the prudence analysis of all the above submissions and Audited statement of accounts, the Commission approves the addition and deletion of GFA as per actuals in line with the audited statement of accounts as indicated in Note 2 of the Statement of Accounts.

- 2.2.19. The Asset wise breakup for Approved Gross Fixed Assets for the True up order of FY 2023-24 is given below:

Table 8: Approved Gross Fixed Assets of MePTCL for FY 2023-24

(in Rs. Crs)

Particular	As at 1st April, 2023	Additions during the year	Disposals and/ or Deductions during the year	As at 31 st March, 2024
Land	12.14	-	-	12.14
Buildings	18.41	0.64	-	19.05
Plant and Equipment	169.99	75.46	-	245.45
Furniture and Fixtures	0.98	-	-	0.98
Vehicles	0.22	-	-	0.22
Office equipment	7.31	5.32	-	12.64
Others	-	-	-	-
Hydraulic Works	0.09	-	-	0.09
Other Civil Works	12.92	0.04	-	12.96
Lines and Cable Network	323.36	30.66	-	354.02
Total	545.41	112.13	-	657.53

Accordingly, this Commission approves Rs 545.41 Crores as Opening GFA and Rs. 657.53 Crores as the Closing GFA for FY 2023-24.

- 2.2.20. The Commission is of the view that in the event of any excess claim with respect to Additional Capitalization during the True-Up (TU) for the next year compared to the amounts approved in the Business Plan/Tariff order for the control period, the Petitioner shall submit the detailed Scheme wise status of the Assets and a valid justification along with requisite documentation. Accordingly, the Commission shall undertake a thorough prudence check. This will involve a detailed scrutiny of each asset class and line-item wise claim, and the Commission will admit the costs based on the outcome of such assessment. The Commission hereby also directs that, the petitioner to prioritize execution of works in line with Business Plan approved.
- 2.2.21. The Commission further directs the Petitioner to audit its balance sheet as per proper Accounting Methodology so that the yearly basis continuous dispute related to 'Assets transferred from CWIP' not aligned with 'Addition in GFA' during the year can be settled once and for all. The Petitioner is also directed by the Commission to provide a detailed 'Asset class wise' and 'Item wise' reconciliation of 'CWIP' and 'GFA addition' during the submission of True-Up petition for subsequent years.
- 2.2.22. The Commission additionally directs the Petitioner, to provide Asset class wise and Itemized "Funding Pattern" of 'Capex', 'Capitalization' and 'Decapitalization' during the year with details of 'Name of the scheme' and corresponding work done under the scheme, duly certified by Auditor, during

the submission of True-Up petition of the subsequent year, for ensuring proper governance and transparency in tariff determination.

- 2.2.23. The Commission further states that it is noticed that under ‘Capital work in progress (CWIP) Ageing Schedule’ that a large amount of fund is still under CWIP for a long period, and the corresponding assets/projects might have been delayed, resulting in cost escalation. The Commission, in this regard, directs the Petitioner that, all the Legacy Issues (pending from FY 1986-87 and FY 2012-13) under CWIP Aging schedule as certified by the Auditor needs be settled at the earliest and reasons to be recorded for such delay.

The Commission, in addition to the above, directs the Petitioner to take suitable necessary action in order to ensure that there is early capitalization of the assets which are lying in CWIP for more than 1 year and also the assets which are lying in CWIP for more than 3 years have to be capitalized at the earliest and a suitable justification should be submitted by the Petitioner before filing of the petition of the subsequent year.

- 2.2.24. The Commission directs the Petitioner to conduct the Third-Party Physical Verification of its assets within 6 months from publication of this order and submit the report of the same with the Commission for its consideration.

2.3. Grant Adjustment and Funding Pattern

Petitioner’s Submission

- 2.3.1. The Petitioner has considered the movement of the grants and GFA in line with closing figures approved by the Commission in order dated 18.10.2024 in Case No. 35 of 2023.
- 2.3.2. The movement of grants for FY 2023-24 as submitted by the Petitioner is provided in the table below:

Table 9: Capital Structuring Claimed for 2023-24

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2022-23 (Approved)	True-up of FY 2023-24 (Claimed)
Gross Fixed Asset			
1	Opening GFA	508.47	545.41
2	Addition of GFA	36.96	112.13
3	Deletion of GFA	0.02	0.00
4	Closing GFA	545.41	657.54
5	Average GFA	526.94	601.47
Grant Adjustment			
6	Opening Grant	89.26	121.76
7	Add-cap funded through grant	32.50	107.40
8	Closing Grant	121.76	229.16
9	Average Grant	105.51	175.46

<i>(in Rs. Crs)</i>			
Sl. No	Funding Pattern	True-up of FY 2022-23 (Approved)	True-up of FY 2023-24 (Claimed)
10	Addition of fresh loan for current year add-cap	3.12	3.31
11	Addition of fresh equity for current year add-cap	1.34	1.42

Respondents' submission in this regard

- 2.3.3. BIA has contended that the Petitioner has not submitted any details of the grants claimed in the Petition nor any reconciliation has been provided to justify these Addition of Grants with the Statement of Accounts.
- 2.3.4. BIA has further objected, asserting that the Petitioner has improperly computed the closing GFA, as the necessary supporting documents to substantiate the claim for the 'GFA Addition during the year' have not been submitted.

MePTCL's Response to Respondent's submissions

- 2.3.5. The Petitioner has submitted that the grants claimed for tariff will never tally with the books of accounts because the grants received are accounted in the SOA as per relevant accounting standards irrespective of whether the asset related to such grant has been capitalized or not.

Commission's Analysis

- 2.3.6. The Commission vide First Additional Information requirement dated 02.01.2025, stated that the Petitioner was directed (vide Directive No. 2 of the True-Up order for FY 2022-23 dated 18.10.2024 and Additional Formats sought by the Commission dated 21.11.2024) to submit the station wise yearly Grant data in a prescribed format. However, as the Petitioner has failed to comply with this directive, rendering it nonresponsive and thereby it was directed to submit the requisite data in prescribed excel format along with documentary evidence of Govt. Order for the grant schemes. In response to this query, the Petitioner has partially submitted the required information pertaining to grants in the format advised by the Commission. In this regard, the Commission has prudently checked the submission and has noticed few discrepancies. Accordingly, the Petitioner, vide Second Additional Information requirement dated 18.02.2025,
- a) was redirected to furnish projected Grant information for FY 2024-25 and FY 2025-26
 - b) was redirected to submit documentary evidence of Govt. Order for the grant schemes to substantiate its claim for Grant received.
 - c) provide a comprehensive justification and detailed clarification for the Rectification entry of Rs 287.00 Lakh for Grant received in FY 2023-24.

- d) to justify the inconsistency regarding Grant amount received during FY 2023-24 between Auditor certificate submitted as Annexure P.A.1 with First Additional Information (Rs 856.11 Lakhs after adjustment with the rectification entry) and the Auditor Report submitted with True-up Petition (Rs 1143 .11 lakhs).
- e) to submit the details of Grant received from State Government for Survey and Investigation amounting Rs 22.11 Lakhs.
- f) to clarify the inconsistency regarding Grant capitalized amount during FY 2023-24 submitted in response to First Additional Information requirement and the original True-Up petition.

In response, of the above queries from the Commission it is observed that the the Petitioner has made the following response:

- a) Query no. (a): The Petitioner has clarified the projection in a tabular format.
- b) Query no. (b): With regards to the documentary evidence relating to grants, the Petitioner has stated that it is still compiling the information.
- c) Query no. (c): The Petitioner has submitted that there has been an error while compiling the capitalization of grants in FY 2023-24 at the time of filing the Petition. Hence, the Rectification entry has been booked accordingly in the Auditor's certificate regarding the 'Scheme wise Grant allocation'.
- d) Query no. (d): The Petitioner has submitted an Auditor's Certificate to substantiate its claim, where the Grant capitalized during FY 2023-24 reflects as Rs 86.56 Cr.
- e) Query no. (e): The Petitioner had not submitted any separate response of this query.
- f) Query no. (f): The Petitioner has claimed that the capitalization of grants in FY 2023-24 as shown in the auditor's certificate of Rs. 74.28 Lakhs is correct.

The Commission has observed that there are multiple submissions made by the Petitioner, which are inconsistent and that too in an improper formatting which further increases discrepancies. Hence, in the interest of the consumer in terms of implication on Tariff, the Commission considers Rs 107.40 Cr as Asset Capitalization funded through Grant, submitted by the Petitioner vide Table 4 of the petition.

- 2.3.7. The Commission has observed that the deduction in 'Deferred Revenue' under 'Non-Current Liabilities' as per Note 17.1 of Audited Annual Accounts differs from the figure of 'Deferred Revenue' under Current Liabilities as per Note No. 24 of Audited Accounts for FY 2023-24 and Amortization of Grant under Note 26 of the Audited accounts for FY 2023-24.

In this regard, the Commission vide First Additional Information requirement dated 02.01.2025, sought the clarification of this discrepancy along with the Accounting Norms and Policies followed by the Petitioner. In response the Petitioner has provided an inadequate justification.

Hence, again vide Second Additional Information requirement dated 18.02.2025, the Commission redirected the Petitioner to submit a proper and substantiated justification. Commission takes due cognizance of the fact that despite several reminders the Petitioner had not submitted any response of the above query.

2.3.8. The Commission has observed inconsistency in the submission of Grant Capitalised during FY 2023-24 among the documents submitted in response of First Additional Requirement vis-à-vis True-Up petition. In this regard, the Commission vide Second Additional Requirement dated 18.02.2025, had sought the clarity from the Petitioner and directed to submit the correct figures with a proper explanation against the inconsistency found. In response to the query, the Petitioner has claimed that the capitalization of grants in FY 2023-24 as shown in the auditor's certificate of Rs. 74.28 Lakhs is correct.

2.3.9. Further, the Petitioner vide Second Additional Information requirement dated 18.02.2025, was directed to provide detailed information on

- a) Scheme wise total amount of Grant funding (including both Government Grant and Consumer Contribution) received.
- b) Grant utilization status, detailing the utilized and unutilized amounts on a project-wise and scheme-wise basis.

Additionally, Project-wise and Scheme-wise bifurcation of 'Grant utilised' under Fixed asset and CWIP, along with Auditor certificate to verify the Grant movement, have also been sought by the Commission.

In reply, the Petitioner submitted an Auditor Certificate in support of the response to the above query.

2.3.10. Justification of difference in Grant figures between Note 17 (Rs 132.32 crore) and Note 17.1. (Rs 138.43 crore) of Financial Statement was also sought by the Commission vide Second Additional Information requirement dated 18.02.2025.

The Commission has noticed that the Petitioner has not responded to this above query.

2.3.11. As per the extant MSERC MYT Tariff Regulations 2014, any grant obtained for execution of the project shall not be considered for the purpose of computation of the capital structure for calculation of Debt & Equity and there after Depreciation & Return on Equity.

- 2.3.12. The Commission to ascertain the exact amount of grant across each of the operational projects, for the current context the Commission has decided to follow the following principle to determine the tariff components:

Step-1: Opening Grant:

For individual projects that have been commissioned, the Commission has taken the opening grant for the current year i.e. FY 2023-24 equal to the closing grant considered by the Commission in its previous True up order, subject to a maximum of the closing GFA for the respective project as has been approved by the Commission in its True up order for FY 2023-24.

Step-2: Additional Grant Capitalization:

The current year addition of grant through additional capitalization, has been considered to be equivalent to what has been submitted by Petitioner as part of additional submission (duly certified by Auditor), with the restriction that the net depreciation (i.e., post adjustment of yearly Grant amortization value from the yearly gross depreciation value calculated considering the total GFA) is never negative.

Step-3: Closing Grant:

The Closing value of capitalized grant in each commissioned asset is derived by adding the opening grant as considered in step-1 & the additional capitalization executed through grants as considered in step-2 above.

Step-4: Additional Debt & Equity Capitalization:

The balance amount of additional capitalization in the present year after adjustment of the current year additional grant capitalization, shall be split into debt and in the ratio of 70% & 30% respectively, as per regulatory norms.

- 2.3.13. Considering the above principle, the grant funding considered by the Commission for MePTCL is tabulated below:

Table 10: Approved Grant adjustment and funding pattern for FY 2023-24

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2022-23 (Approved)	True-up of FY 2023-24 (Approved)
Gross Fixed Asset			
1	Opening GFA	508.47	545.41
2	Addition of GFA	36.96	112.13
3	Deletion of GFA	0.02	0.00
4	Closing GFA	545.41	657.53
5	Average GFA	526.94	601.47
Grant Adjustment			
6	Opening Grant	89.26	121.76
7	Add-cap funded through grant	32.50	107.40
8	Closing Grant	121.76	229.16

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2022-23 (Approved)	True-up of FY 2023-24 (Approved)
9	Average Grant	105.51	175.46
10	Addition of fresh loan for current year add-cap	3.12	3.31
11	Addition of fresh equity for current year add-cap	1.34	1.42

Accordingly, this Commission considers Rs. 175.46 Crores as the average grant for FY 2023-24.

2.3.14. The Commission further directs the Petitioner, henceforth to ensure compliance to the following directives while filing for the submission of True-Up petition:

- a) Sharing of detailed Scheme wise amount of Grant funding (including both Government Grant and Consumer Contribution in a separate column) received, and
- b) Sharing of detailed Grant utilization status, detailing the utilized and unutilized amounts on a project-wise and scheme-wise basis, duly certified by Auditor (in a proper format) along with copy of signed Government Grant orders.

2.4. Return on Equity

Petitioner's Submission

2.4.1. The Petitioner has submitted that the return on equity has been calculated in line with the provisions of Regulation 27 of the 2014 Tariff Regulations and the capital structure presented above. The calculation of Return on Equity is tabulated below:

Table 11: Return on Equity Claimed for FY 2023-24

(in Rs. Crs)

Particulars	True up for FY 2022-23 (Approved)	True-Up for FY 2023-24 (Claimed)
Opening GFA	508.47	545.41
Addition during the year	36.96	112.13
Deletion during the year	0.02	0.00
Closing GFA	545.41	657.53
Average GFA	526.94	601.47
Less: Average Grants	105.51	175.46
Net Average Assets Not Funded Through Grants	421.43	426.01

(in Rs. Crs)

Particulars	True up for FY 2022-23 (Approved)	True-Up for FY 2023-24 (Claimed)
70% Debt component	295.00	298.21
30% Equity	126.43	127.80
Rate of Return on Equity (%)	14%	14%
Return on Equity @ 14%	17.70	17.89

Respondents' submission in this regard

- 2.4.2. BIA has highlighted the discrepancies in Addition to GFA figures, grant consideration, and non-reconciliation with the Statement of Accounts. Accordingly, BIA has argued that the RoE claimed by Petitioner is inadmissible in the absence of any details/verifiable documents of capitalization for FY 2023-24. Accordingly, BIA has proposed RoE of Rs 15.54 Cr.

MePTCL's Response to Respondent's submissions

- 2.4.3. The Petitioner has responded that the detailed justification for the claim of additional capital expenditure has already been provided under the relevant head of the replies.

Commission's Analysis

- 2.4.4. The Commission notes that Regulation 27 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 states the following:

"27 Debt-Equity Ratio

27.1 For a project declared under commercial operation on or after 1.4.2015, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan;

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff.

Provided further that equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

Provided any grant obtained for execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity ratio.

....."

<Emphasis added>

- 2.4.5. Further, Regulation 31 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 states the following:

"....."

31.1 Return on equity shall be computed on the equity base determined in accordance with regulation 27 and shall not exceed 14%.

Provided that in case of generation & transmission projects commissioned after notification of these regulations, an additional return of 0.5 % shall be allowed if such projects are completed within the time line as specified in CERC Tariff Regulations.

.....”

<Emphasis added>

- 2.4.6. The Commission has accordingly allowed a Return on Equity (RoE) at 14% on the normative equity, calculated based on the approved average GFA, excluding the average grants and contributions as outlined respective section of this order.
- 2.4.7. The approved normative equity and the corresponding RoE for FY 2023-24 are presented below:

Table 12: Approved Return on Equity for FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
Opening GFA as on 01.04.2023	545.41
Addition to GFA during the Year	112.13
Deletion from GFA during the Year	0.00
Closing GFA as on 31.03.2024	657.53
Average GFA for FY 2023-24	601.47
Average Grants for FY 2023-24	175.46
Net Average Capital Assets for FY 2023-24 (not funded through Grants)	426.01
Debt @70% of Capital Assets	298.21
Equity @30% of Capital Assets	127.80
Rate of Return on Equity	14%
Return on Equity	17.89

The Commission accordingly approves Return on Equity of Rs. 17.89 Crores for MePTCL for Truing Up of FY 2023-24.

2.5. Depreciation

Petitioner’s Submission

- 2.5.1. The Petitioner has submitted that the depreciation has been computed as per the methodology adopted by the Commission in the previous true ups. Further the opening balance of GFA has been considered as per the GFA approved by

the Commission in the order dated 21.11.2023 in Case No. 01 of 2023 in true up of 2021-22. The calculation of depreciation is tabulated below:

Table 13: Computation of Depreciation Claimed for FY 2023-24

(Amounts in Rs. Crores)

Asset Description	Opening GFA	Additions	Retirements	Closing GFA	Avg. GFA	90% of GFA	% of Depreciation	Amount of Depreciation
Land	12.14	0.00	0.00	12.14	12.14	10.93	0.00%	0.00
Buildings	18.41	0.64	0.00	19.05	18.73	16.86	3.34%	0.56
Plant and Equipment	169.99	75.46	0.00	245.45	207.72	186.94	5.28%	9.87
Furniture and Fixtures	0.98	0.00	0.00	0.98	0.98	0.88	6.33%	0.06
Vehicles	0.22	0.00	0.00	0.22	0.22	0.20	9.50%	0.02
Office Equipment	7.31	5.32	0.00	12.64	9.97	8.98	6.33%	0.57
Hydraulic Works	0.09	0.00	0.00	0.09	0.09	0.08	5.28%	0.00
Other Civil Works	12.92	0.04	0.00	12.96	12.94	11.65	3.34%	0.39
Lines and Cable Works	323.36	30.66	0.00	354.02	338.69	304.82	5.28%	16.09
Total	545.41	112.13	0.00	657.53	601.47	541.32		27.56
Rate of Depreciation								5.09%
90% of Average Grants in GFA								157.91
Depreciation on Grants								8.04
Net Depreciation								19.52

2.5.2. The Petitioner has prayed to allow the depreciation of Rs. 19.52 Crore as detailed above for FY 2023-24.

Respondents' submission in this regard

2.5.3. BIA has argued citing Regulation 33 of MYT Regulation that the depreciation rate should be computed based on 90% of GFA (excluding land), as per MYT Regulations, 2014 and the recalculated rate of depreciation is 5.20%. BIA has further objected that for the spread over of depreciation over the balance useful life of the assets after 12 years, the Petitioner has failed to provide any details.

2.5.4. BIA has contended that as the Petitioner is unable to submit the substantiating documents of Additional capitalization, its claim for depreciation computation

is also not liable to be allowed. In accordance with the above, BIA has proposed Depreciation at Rs 16.73 Cr.

MePTCL's Response to Respondent's submissions

- 2.5.5. The Petitioner claimed that it has not included land in the computation of depreciation and the Amortization of Grant is also considered, which signifies no deviation in 'depreciation' computation. Further, the Petitioner mentioned that the claim of the capital expenditure in the petition is in line with the settled regulatory methodology, adopted by the Commission in the preceding True-Up orders. The Petitioner further added that the True-up petition filled by the Petitioner is for its whole business and it's not a project wise petition. Hence, the Petitioner claimed that the analysis of 'balance useful life of the assets after 12 years' is not required.

Commission's Analysis

- 2.5.6. The Commission considers the Opening Capital Cost in line with the True-Up order for FY 2022-23 dated 18.10.2024 in Case No. 35 of 2023.
- 2.5.7. The Commission had also directed the Petitioner, vide First Additional Information requirement dated 02.01.2025, to submit cumulative depreciation for FY 2023-24, based on available data and approved depreciation rates. In response, the Petitioner has submitted the cumulative depreciation, however, the Commission observed that the data doesn't align with the information furnished as Additional Formats dated 17.12.2024 by MePTCL.

In this regard, the Petitioner vide Second Additional Information requirement dated 18.02.2025, was directed to submit the proper justification of this inconsistency and submit a correct figure of Cumulative Depreciation in a prescribed excel format shared by the Commission, ensuring that the figures are in alignment with Financial Statements for FY 2023-24.

In response to the above query, the Petitioner submitted that the cumulative depreciation submitted against response to the First Additional Information requirement is the correct figure as the earlier information was provided without proper breakup of the asset wise depreciation computation.

- 2.5.8. The Commission observed that MePTCL, while computing the average rate of depreciation, has considered the 90% of Gross Fixed Assets (GFA) including the value of land. This methodology deviates from the approach consistently adopted by the Commission in its previous Tariff Orders.
- 2.5.9. The Commission notes that Regulation 33 of the Meghalaya State Electricity Regulatory the Commission (Multi Year Tariff) Regulation, 2014 states the following:

“33 Depreciation

33.1 For the purpose of tariff determination, depreciation shall be computed in the following manner:

a) The asset value for the purpose of depreciation shall be the historical cost of the assets as approved by the Commission where:

*The opening asset’s value recorded in the Balance Sheet as per the Transfer Scheme Notification shall be deemed to have been approved, subject to such modifications as may be found necessary upon audit of the accounts, if such a Balance Sheet is not audited. **Consumer contribution or capital subsidy/ grant etc shall be excluded from the asset value for the purpose of depreciation.***

b) For new assets, the approved/accepted cost for the asset value shall include foreign currency funding converted to equivalent rupee at the exchange rate prevalent on the date of foreign currency actually availed but not later than the date of commercial operation.

c) The salvage value of the assets shall be considered at 10% and depreciation shall be allowed upto maximum of 90 % of the capital cost of the asset.

d) Depreciation shall be calculated annually as per straight-line method at the rates specified in CERC (Terms and Conditions of Tariff) Regulations, 2009 as may be amended from time to time.

Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing the historical cost of the asset.

e) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro-rata basis.

f) The remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the asset.”

<Emphasis added>

- 2.5.10. The Commission has determined the allowable depreciation based on the principles established in the preceding True-Up Orders by considering the approved opening and closing Gross Fixed Assets (GFA) and Grants for FY 2023-24. This calculation has been undertaken in strict adherence to the aforementioned provisions of the MYT Regulations, 2014.
- 2.5.11. The depreciation as per Regulations is computed for True up as depicted in the table below:

Table 14: Approved Depreciation for FY 2023-24

(in Rs. Crs)

Asset Description	Opening Balance	Addition during the year	Retirement during the year	Closing Balance	Average GFA	90% of GFA	Rate of Depreciation	Depreciation during the year
Land	12.14	0.00	0.00	12.14	12.14	0.00	0.00%	0.00
Buildings	18.41	0.64	0.00	19.05	18.73	16.86	3.34%	0.56
Plant and Equipment	169.99	75.46	0.00	245.45	207.72	186.94	5.28%	9.87
Furniture and Fixtures	0.98	0.00	0.00	0.98	0.98	0.88	6.33%	0.06
Vehicles	0.22	0.00	0.00	0.22	0.22	0.20	9.50%	0.02
Office Equipment	7.31	5.32	0.00	12.64	9.97	8.98	6.33%	0.57
Hydraulic Works	0.09	0.00	0.00	0.09	0.09	0.08	5.28%	0.00
Other Civil Works	12.92	0.04	0.00	12.96	12.94	11.65	3.34%	0.39
Lines and Cable Works	323.36	30.66	0.00	354.02	338.69	304.82	5.28%	16.09
Total	545.41	112.13	0.00	657.53	601.47	530.40		27.56
Rate of Depreciation							5.20%	
Opening Grant for the Year	121.76							
Grants Capitalized during the Year		107.40						
Closing Grant for the Year				229.16				
Average Grants in GFA					175.46			
90% of Grants for the year						157.91		
Less: Depreciation on Grants								8.21
Net Depreciation for the year								19.36

In consideration of the above, this Commission approves Depreciation of Rs. 19.36 Crores for True-up of Transmission Business for FY 2023-24.

- 2.5.12. For the purpose of calculating Balance useful life of assets, the Commission directs the Petitioner to conduct Third-Party Physical Verification of its assets within 6 months of publication of this order, for preparation of a consolidated digitalized Fixed Asset Register (FAR) duly reconciled by Third-Party and submit the report of the same with the Commission for its consideration.

2.6. Interest and Finance Charges

Petitioner's Submission

- 2.6.1. The Petitioner has submitted that Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 15: Computation of Weighted Average Rate of Interest Claimed for FY 2023-24

(in Rs. Crs)

Name of Loan	Opening Loan	Repayment	Closing Loan	Average Loan	Interest Paid During 2023-24	Rate of Interest (%)
REC Killing – Byrnihat Loan	5.87	1.34	4.33	5.20	0.54	10.29%

Table 16: Calculation of Interest on Loan Claimed for FY 2023-24

(in Rs. Cr)

Particulars	FY 2022-23 Allowed	FY 2023-24 Allowed
Opening Normative Loan	24.10	7.97
Addition in Loan	3.12	3.31
Repayment	19.25	19.52
Closing Normative Loan	7.98	-8.24
Average loan	16.04	0.00
Weighted Average Rate of Interest	9.00%	10.29%
Interest on Loan	1.44	0

- 2.6.2. Petitioner has requested the Commission to allow Interest on Loan of Rs. 0 Cr for FY 2023-24.

Respondents' submission in this regard

- 2.6.3. BIA has contended that Petitioner has not provided a complete break-up of interest components which is essential for distinguishing if any penal interest or overdue interest has been included in the interest and moreover, BIA has further pointed out that there is non-consideration of State Government Loan from Petitioner's side which is direct violation of the Commission's approach in previous True-Up order. Thereby, BIA has proposed the recomputed Weighted average rate of interest at 9.43% and Normative Interest charges at Zero.

MePTCL's Response to Respondent's submissions

- 2.6.4. Petitioner has claimed that no penal interest has been included in the claim and mentioned that Auditor Certified Actual loan portfolio has been submitted to the Commission.

Commission's Analysis

- 2.6.5. The Commission has observed a mismatch in terms of opening and closing loan. Further, the Commission noticed that the Petitioner didn't claim the State Government Loan during the calculation of Weighted Average rate of interest vide Table No. 6 of the petition, whereas the Audited Annual Accounts for FY 2023-24 shows Rs 42.19 Cr as outstanding loan. Additionally, there is no clarity of Repayment schedule and Interest paid. In this regard, vide First Additional Information requirement dated 02.01.2025, the Commission sought the clarification for non-consideration of State Government Loan and directed to furnish the actual loan portfolio duly certified by the auditor in a Prescribed format.

Petitioner, in response, has submitted that it had been decided by its Management and the State Government to convert all the loans provided by State Government along with the accrued interest into equity, hence the Petitioner did not take into account the interest on loan on State Government loan. The Petitioner further stated that since the normative interest on loan is coming to zero, inclusion of the state government loan will not have any impact on the working of interest on loan and submitted the actual loan portfolio in a prescribed format.

The Commission has scrutinised the submission and vide Second Additional Information requirement dated 18.02.2025, directed the Petitioner to clarify the reason for the continued booking of the outstanding loan for State Government in the Financial Statements of FY 2023-24, if the loan has indeed been converted into equity. Further, the Commission sought the clarifications on change in the Interest Rate for REC Loan between FY 2022-23 and FY 2023-24. Additionally, the Commission directed the Petitioner to provide supporting documentation like,

- a. Loan agreements or amendments that outline the terms of the loans, including any changes to the interest rate.
- b. Correspondence or notifications from REC regarding changes in the rate.
- c. Government directives or regulatory notices that may have impacted the interest rates.
- d. Any internal records that explain the financial decisions behind the interest rate changes etc.

In reply, the Petitioner, submitted the detailed annexures of Interest received from REC Ltd for the Financial Year FY 2021-22, FY 2022-2023 and FY 2023-

24 containing the details of communication from REC limited on email/official letter, details of Principal and Interest payment due, details of Overdue etc, and auditor certified Actual Loan Portfolio, where the rate of Interest has also been indicated.

- 2.6.6. Further, the Petitioner, vide Second Additional Information requirement dated 18.02.2025, was directed to submit Actual rate of interest and Interest paid applicable for each loan, which needs to be supported by Auditor's Certificate and Bank Reconciliation Statement. The Petitioner, in response of this query, has submitted the claims of interest as received from the REC Ltd on email/official letter and also submitted the Interest repayment certificate duly signed by Auditor as an encloser.

The Petitioner has also stated that it has availed the loan from the financial institutions i.e. REC Ltd and therefore the confirmation of principal payment to the financial institutions has been indicated in the confirmation as received on 31.03.2024. The confirmation has also been submitted by the Petitioner as an encloser with reply.

- 2.6.7. Additionally, the Commission vide First Additional Information requirement dated 02.01.2025, had sought the explanation of the basis of claiming a Higher 'Normative Repayment' amount of Rs 19.52 Cr in comparison to the 'Normative Opening Loan' (Rs 7.97 Cr) vide Table No. 7 of the petition. In response Petitioner stated that depreciation during the year has been considered as the normative repayment, hence higher amount of repayment is being shown.

- 2.6.8. Petitioner, vide Second Additional Information requirement dated 18.02.2025, was directed to submit the Bank confirmation certificate for Repayment of each and every Loan pertaining to Financial Year 2023-24 and in reply, Petitioner has submitted the Loan Balance confirmation from REC Ltd., the copy of email communication dated 04.04.2024 was also attached by the Petitioner, which signifies the same amount of Loan repayment as certified by the Auditor.

The Commission, in Trial Balance for FY 2023-24, observed a 'Repayment Due on Loan from State Government' amounting to Rs 38,282,864 , i.e., Rs 38.28 Cr. In this regard, vide Second Additional Information requirement dated 18.02.2025, the justification has been sought by the Commission for the reason behind this repayment due and the Petitioner was asked to clarify the treatment/adjustment of the same in the Financial Statements. The Petitioner, in reply, has submitted that for capital works or Scheme related works which has been sanctioned by the State Government for execution of the Works as loan has been released by the State Government as both Loan and grant. For the Loan component, the Petitioner further mentioned that the terms and

conditions state that the loan is to be repaid in 10 equal instalments and hence therefore the provision for repayment due has been made accordingly.

2.6.9. Upon review of the response of First Additional Information, the Commission observed inconsistency in Interest Accrued/ Paid for REC Killing-Byrnihat Loan and accordingly vide Second Additional Information dated 18.02.2025, sought a clarification as well as reconciliation of the Actual Loan Portfolio for FY 2023-24, duly certified by Auditor. In response the Petitioner has submitted the corrected form of Auditor certificate.

2.6.10. The Commission noticed that there is Penal Interest on Loan from REC (MTL-TII) booked under Trial Balance for FY 2023-24, which invariably increase the Interest Rate of the REC loan for the next year and affect the Weighted Average Rate of Interest determination. In this regard, vide Second Additional Information dated 18.02.2025, Petitioner was directed to submit a comprehensive clarification for non-payment of Interest within due course of time.

The Petitioner, in reply, submitted that the penal interest charges which has been booked and paid during the Financial Year 2023-24 pertains to the interest due on 31st March 2023 which was paid in April 2023. The Petitioner further stated that during the Financial Year 2023-24, the Corporation has taken all initiatives to ensure that interest was paid on time to avoid any penal charges or penal interest.

2.6.11. The Commission notes that Regulation 32 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 states the following:

“32 Interest and finance charges on loan capital

32.1 Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of loan repayment, terms and conditions of loan agreements, bond or debenture and the lending rate specified therein.

Provided that the outstanding loan capital shall be adjusted to make it consistent with the loan amount determined in accordance with regulation 27.

32.2 The interest and finance charges attributable to capital work in progress shall be excluded.

Provided that neither penal interest nor overdue interest shall be allowed for computation of tariff.

.....”

<Emphasis added>

2.6.1. Further Regulation 27 of the MSERC (Multi Year Tariff) Regulations 2014 states that:

“27.1 For a project declared under commercial operation on or after 1.4.2015, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan;

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff.”

<Emphasis added>

2.6.2. This Commission notes that the interest on normative loan in excess of 30% shall not be admissible, where the Debt Equity computation (70:30) is arrived as per the Regulation 27 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 after deducting the Grants and contributions.

2.6.3. For purpose of arriving at the weighted average rate of interest (WAROI), the Commission has relied on the actual loan portfolio submitted by the Petitioner, duly certified by the statutory auditor for FY 2023-24.

2.6.4. As per Regulation 32.2, penal interest is not to be included in tariff calculations. The Commission has conducted due prudence check and observed that a Penal Interest booked in Trial Balance and Auditor certificate amounting of Rs 10,730 . Hence, excluding the Penal Interest, only the Interest accrued (amounting Rs 53,53,378) during FY 2023-24 has been considered for determination of Weighted Average Rate of Interest.

2.6.5. The Commission approves the Normative Repayment of Loan equal to minimum of Approved Depreciation for FY 2023-24 and the Summation of Normative Opening and Addition of Loan during the year.

2.6.6. Considering the above Regulatory provisions, the Commission has computed the interest on loan capital outstanding for True up of 2023-24 as depicted in the table below:

Table 17: Approved Computation for Weighted Average Rate of Interest for FY 2023-24

				<i>(in Rs. Crs)</i>
Particulars	REC Killing-Byrnihat Loan	State Govt Loan	Total	Weighted Average of Interest
Opening balance	5.87	42.19	48.06	8.88%
Additions during the year	0.00	0.00	0.00	
Repayment (incl. default)	1.34	0.00	1.34	
Closing balance	4.53	42.19	46.72	
Average Loan	5.20	42.19	47.39	
Interest payable	0.54	3.67	4.21	

**Table 18: Approved Interest on Loan for FY 2023-24
(in Rs. Crs)**

Particular	Amount
Net Normative Loan Opening	7.98
Addition in Loan	3.31
Repayment	11.29
Net Normative Loan Closing	0.00
Average loan	3.99
WAROI	8.88%
Interest on Loan	0.35

The Commission accordingly approves Rs. 0.35 Crores towards Interest and Finance Charges for FY 2023-24.

- 2.6.7. The Commission also emphasizes the importance of strict compliance with audited accounts and regulatory provisions to ensure accurate computation of interest rates and appropriate exclusions in tariff orders. This approach safeguards the principles of prudence and fairness in regulatory accounting. The Commission hereby directs the Petitioner to submit the followings along with True-Up petition henceforth;
- Actual Loan Profile as per Annexure certified by Auditor,
 - Normative Repayment schedule,
 - Loan agreements or amendments,
 - Bank confirmation certificate for Repayment and
 - Valid reason of change in Actual Interest Rate (if any).

2.7. Operation and Maintenance Expenses

Petitioner's Submission

- 2.7.1. The Petitioner has submitted that as per the settled practice followed by the Commission in the past, the operation and maintenance expenses have been claimed as per the audited accounts of FY 2023-24. The details of operation and maintenance expenses are tabulated:
- a. Employee Expenses**
- 2.7.2. Petitioner has claimed Employee expenses as per the audited accounts. Further, the amount pertaining to the Pension and Gratuity Expenses booked in accounts have not been considered in line with the methodology adopted by the Commission in Order dated 18.10.2024 in Case No. 35 of 2023.

Table 19: Employee Expenses Claimed for FY 2023-24

Particulars	Amount
Salaries and Wages	38.01
Gratuity Expenses	0.00

Particulars	Amount
Leave Encashment Expenses	0.00
Pension Expenses	0.00
Contribution to Provident Fund	0.23
Apportionment of Employee Benefit of Holding Company	0.00
Total Employee Expenses of MePTCL	38.24
1/3 rd of the Employee Expenses of MeECL	11.05
Total Employee Expenses	49.29

2.7.3. Petitioner has requested the Commission to allow the employee expenses of Rs. 49.29 Cr for FY 2023-24.

b. Renovation & Modernization (R&M) Expenses

2.7.4. Petitioner has claimed R&M expenses as per the audited accounts. Further, the MeECL expenses have been apportioned in the three companies in equal proportion as depicted below:

Table 20: R&M Expenses Claimed for FY 2023-24

Particulars	Amount
R&M Expenses Buildings	0.14
R&M Expenses Plant and Machinery	1.72
R&M Civil Works	0.14
R&M Lines and Cables	6.50
R&M Vehicles	0.01
R&M Furniture's and Fixtures	0.00
R&M Office Equipment	0.62
Total R&M Expenses	9.14
1/3 of R&M Expenses of MeECL	0.16
Total R&M Expenses	9.30

2.7.5. Petitioner has requested the Commission to allow the R&M expenses of Rs. 9.30 Cr for FY 2023-24.

c. Administrative & General (A&G) Expenses

2.7.6. Petitioner has claimed that the A&G expenses have also been claimed as per the statement of accounts, with the A&G expenses of MeECL being apportioned in the three companies (MePGCL, MePTCL & MePDCL) in equal proportion.

Petitioner has further submitted that the A&G expenses of MeECL also includes the penalty of Rs.0.0009 Cr which has been excluded from the claim as a principle of honesty.

Table 21: A&G Expenses claimed for FY 2023-24

Particular	(in Rs. Crs) Amount
Insurance Charges	0.75
Rent, Rates and Taxes	0.00
Telegram, Postage, Telegraph and Telex charges	0.08
Training, conveyance and vehicle running expenses	1.70
Printing and stationery expenses	0.05
Auditors' remuneration	0.04
Books & Periodicals	0.00
Advertisement charges	0.02
Technical Fees	0.01
Legal and professional charges	0.30
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	0.07
CERC Fees	0.17
NERPC Fees	0.31
Bank Charges	0.00
Miscellaneous expenses	0.03
Electricity Charges	0.87
GST Expenses	0.01
ROC Charges	0.05
Staff Advance written off	-
POC Rebate	-
Excess Interest on FD	-
Total A&G Expenses	4.46
1/3rd of A&G Expenses of MeECL	0.79
Total A&G Expenses	5.25

2.7.7. The Petitioner has requested the Commission to allow the A&G expenses of Rs. 5.25 Cr for FY 2023-24.

Respondents' submission in this regard

2.7.8. BIA has objected stating that there is an upward variation of O&M expenses compared to what was approved in previous True Up order for FY 2022-23, for which no reasoning, justification or reconciliation has been put forward by the Petitioner. BIA has further pointed out that the discrepancy in apportioned expense of Holding Company as booked in Note 27 of the SOA of the Petitioner and as per Note 23 of the SOA of the Holding Company.

2.7.9. Despite this, BIA contends that Petitioner's claim for O&M expenses attributable to the Holding Company is unjustified.

2.7.10. BIA has claimed that the O&M expenses should be based on escalation factor 5.72% depending on the weighted average increase in the WPI and CPI.

- 2.7.11. BIA has recomputed the Employee expense as Rs 44.86 Cr considering Rs 8.28 Cr for apportionment of Employee Benefit Expenses attributable to Holding Company as well has recalculated R&M and A&M expense at Rs 3.10 Cr, which in turn makes the total claim of O&M expense as Rs 54.63 Cr.

MePTCL's Response to Respondent's submissions

- 2.7.12. Petitioner has claimed that at the time of truing up, the actual O&M expenses as per the audited accounts have been allowed by the Commission as a settled regulatory principle.

Commission's Analysis

- 2.7.13. The Commission notes that Regulation 69 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 states the following:

"69 Operation and Maintenance Expenses

69.1 Operation and Maintenance Expenses or O&M Expenses shall mean the total of all expenditure under the following heads:-

(a) Employee Cost

(b) Repairs and Maintenance

(c) Administration and General Expenses.

69.2 The Licensee shall submit O&M expenses budget indicating the expenditure under each head of account showing actual of the last financial year, estimates for the current year and projections for the next financial year.

69.3 The norms for O&M expenses on the basis of circuit kilometers of transmission lines, transformation capacity and number of bays in substations shall be submitted for approval of the Commission.

....."

<Emphasis added>

a. Employee Expenses

- 2.7.14. The Commission observed that Auditor's Report for FY 2023-24 reflects the following;

"According to the information and explanations given to us, in respect of statutory dues:

a. According to the information and explanations given to us, the corporation provide the requisite fund for payment to Supplier/Contractors to the executing field units which also includes the payment towards statutory dues including Provident Fund, ESI, Income Tax, Value Added Tax, Professional Tax, Cess and other dues with

appropriate Authorities. The divisions are found irregular in payment of dues to the specific authorities concerned.

b. Disputed/undisputed amounts, if any, involved towards outstanding statutory dues viz., Sales Tax/GST, Service Tax, TDS, Provident Fund, Labour Cess, etc. have not been properly ascertained and provided for and therefore exact amounts cannot be quoted. **The corporation has not made proper disclosure regarding the pending litigation of Income Tax & other statutory dues along with the forum in which the matter is pending.** (Under the notes to financial statements heading Contingent Liabilities.)”

The Petitioner vide Second Additional Information was directed to provide comprehensive details, along with the necessary supporting documents, pertaining to the deduction and deposit of the Provident Fund(PF). In response, Petitioner disclosed that it has been paying all the PF liability on time. Further the Petitioner mentioned that Fund remitted to the field Divisions are made on the net amount where the amount of Provident Fund deducted are withheld at HO and the deducted amount was then remitted to the concern Provident Section for necessary deposit to the appropriate authority. Deduction schedules and payment records for FY 2023-24 have also been submitted by the Petitioner. In this regard, all the challans for payment of the PF are submitted by the Petitioner.

- 2.7.15. The Commission has considered the Employee Benefit Expenses for the Petitioner including the 1/3rd of share of Employee Benefit expenses of holding company amounting Rs 8.28 Cr as per note no. 27 of Statement of Accounts (SoA) of the Petitioner.
- 2.7.16. As a principle the Commission has already decided that the 1/3rd apportionment of MeECL expense related to R&M and A&G cost shall be considered in line with Meghalaya Transfer Scheme and its subsequent amendments and shall be admissible to each of the 3 state utilities (MePGCL, MepTCL & MePDCL) to be recovered through their respective tariff orders.
- 2.7.17. The Commission considers the Employee expenses are admissible as claimed by the petitioner for True up of FY 2023-24 as depicted in the table below:

Table 22: Employee Expenses approved for FY 2023-24

Particulars	(in Rs. Crs)
	Amount (Approved)
Salaries and Wages	38.01
Gratuity Expenses	0.00
Leave Encashment Expenses	0.00
Pension Expenses	0.00

Particulars	Amount (Approved)
Contribution to Provident Fund	0.23
Apportionment of Employee Benefit of Holding Company	0.00
Sub-Total of Employee Expenses	38.24
1/3 rd of the Employee Expenses of MeECL	8.28
Total Employee Expenses including MeECL	46.52

b. Renovation & Modernization (R&M) Expenses

2.7.18. The Commission considers that the R&M expenses are admissible as claimed by the petitioner for True up of FY 2023-24 as depicted in the table below:

Table 23: Approved R&M Expenses for FY 2023-24

(in Rs. Crs)

Particulars	Amount (Approved)
R&M Expenses Buildings	0.14
R&M Expenses Plant and Machinery	1.72
R&M Civil Works	0.14
R&M Lines and Cables	6.50
R&M Vehicles	0.01
R&M Furniture's and Fixtures	0.00
R&M Office Equipment	0.62
Sub-Total of R&M Expenses	9.14
1/3 of R&M Expenses of MeECL	0.16
Total R&M Expenses	9.30

d. Administrative & General (A&G) Expenses

2.7.19. The Commission considers that the A&G expenses are admissible as claimed by the petitioner for True up of FY 2023-24 as depicted in the table below:

Table 24: Approved A&G Expenses for FY 2023-24

(in Rs. Crs)

Particular	Amount (Approved)
Insurance Charges	0.75
Rent, Rates and Taxes	0.00
Telegram, Postage, Telegraph and Telex charges	0.08
Training, conveyance and vehicle running expenses	1.70
Printing and stationery expenses	0.05
Auditors' remuneration	0.04

Particular	Amount (Approved)
Books & Periodicals	0.00
Advertisement charges	0.02
Technical Fees	0.01
Legal and professional charges	0.30
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	0.07
CERC Fees	0.17
NERPC Fees	0.31
Bank Charges	0.00
Miscellaneous expenses	0.03
Electricity Charges	0.87
GST Expenses	0.01
ROC Charges	0.05
Staff Advance written off	0.00
POC Rebate	-
Excess Interest on FD	-
Sub-Total of A&G Expenses	4.46
1/3rd of A&G Expenses of MeECL	0.79
Total A&G Expenses	5.25

2.7.20. Based on the above, the summary of the total O&M expenses including apportionable portion of O&M expenses of for MeECL are depicted below:

Table 25: Total Approved O&M Expenses for FY 2023-24

(in Rs. Crs)

Particulars	Total
Employee cost	46.52
R&M Expenses	9.30
A&G expenses	5.25
Total O&M expenses	61.07

This Commission approves Rs. 61.07 Crores towards O&M Expenses for True Up of FY 2023-24.

2.7.21. The Commission, further, directs the Petitioner, to justify any variation (shortfall/excess) between its O&M expense claim as per Statement of Accounts and that of approved in Tariff Order / preceding True-Up order, substantiated with valid documents and Auditor certificate in the subsequent filings. The Commission, in addition the above, directs to maintain a Normative accounting approach henceforth.

2.8. Interest on Working Capital

Petitioner's Submission

- 2.8.1. Petitioner has submitted that Regulation 34.3 of the 2014 Tariff Regulation details out the methodology of the computation of the Interest on Working Capital for Transmission business. As per the Regulation 34.3:

34.2 Transmission:

“(i) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

Operation and maintenance expenses for one month; plus Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus Receivables equivalent to two (2) month of transmission charges calculated on target availability level;

Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.”

- 2.8.2. The Petitioner has computed the interest on working capital in line with the provisions of the above Regulations, which is tabulated below. The State Bank of India Advance Rate as on 01.04.2023 has been considered for the purpose of computation of the interest on working capital.

Table 26: Claimed Computation of Interest on Working Capital for FY 2023-24

Particulars	(in Rs. Crs)
	Amount
Operation and Maintenance Exp for 2 Months	5.32
1% Maintenance spares on opening GFA escalated at 6%	5.78
Receivables for 2 months of ATC (Net ARR/12*2)	16.93
Total Working Capital Requirement	28.03
Rate of Interest on Working Capital	14.85%
Interest on Working Capital	4.16

- 2.8.3. The Petitioner has requested the Commission to allow the interest on working capital as Rs. 4.16 Cr. for the FY 2023-24.

Respondents’ submission in this regard

- 2.8.4. BIA based on Revised O&M expenses i.e. excluding one-third of the apportionment of O&M expenses attributable to the Holding Company and considering normative approach of O&M expenses, recomputed a lesser amount of Interest on Working Capital (Rs 3.78 Cr) compared to that of claimed by Petitioner (Rs 5.32 Cr).

MePTCL’s Response to Respondent’s submissions

2.8.5. Petitioner has claimed that the Interest on Working Capital is a by-product of various components of ARR, and the component wise relevant objections are already justified.

Commission’s Analysis

2.8.6. The Commission had sought a clarification on discrepancy in Non-Tariff Income (as detailed out in the concerned paragraph of Component wise analysis) and Petitioner accordingly rectified the inadvertent linking error and revised the ARR table, due to which the revised Interest on Working Capital submission of the Petitioner’s is as follows,

Particulars	Amount (Rs Cr)
Interest on Working Capital	4.10

2.8.7. The Commission notes that Regulation 34.2 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 states the following:

“34.2 Transmission:

(i) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- a) Operation and maintenance expenses for one month; plus*
- b) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus*
- c) Receivables equivalent to two (2) month of transmission charges calculated on target availability level;*

Interest on working capital shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

<Emphasis added>

2.8.8. In consideration of the aforementioned Regulatory provisions, the Commission considers computation of interest on working capital as depicted in the table below:

Table 27: Approved Interest on Working Capital for FY 2023-24

Particulars	(in Rs. Crs)
	Amount
Operation and Maintenance Exp for one month	5.09
Maintenance Spares (1% historical cost escalated at 6%)	5.78
Receivables for 2 months of ATC [(Net ARR/12) *2]	11.53

Particulars	Amount
Total Working Capital Requirement	22.40
Rate of Interest on Working Capital	14.85%
Interest on Working Capital	3.33

The Commission approves Interest on Working Capital at Rs. 3.33 Crore for True up of FY 2023-24.

2.9. Non-Tariff Income

Petitioner's Submission

- 2.9.1. Petitioner has submitted that the non-tariff income has been claimed as per the statement of accounts with certain exclusions as explained out in Chapter 2.6. The details of the Non-Tariff Income for FY 2023-24 is tabulated below:

Table 28: Details of Non-Tariff Income claimed for FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
Interest Income from Banks	0.38
Interest Income from Banks Others	0.00
Scrap Sales	0.00
AMC Charges	0.48
Rental and Hiring Income	0.14
Discount Received	0.00
Fees and Penalties	0.12
Sale of Tender Forms	0.04
Misc. Receipts	1.20
Total	2.36
Non-Tariff Income of MeECL (1/3 rd)	5.41
Total Non-Tariff Income	7.77

- 2.9.2. The Petitioner has requested the Commission to allow the Non-Tariff Income as Rs.7.77 Cr for FY 2023-24.

Respondents' submission in this regard

- 2.9.3. BIA had raised an objection stating that there is a discrepancy of non-tariff income between Paragraph 4.9 (claimed amount is Rs 7.77 Cr) and Table 13 (Claimed amount is Rs 5.41 Cr) of the Petition.

MePTCL’s Response to Respondent’s submissions

2.9.4. Petitioner has submitted that the Aggregate Revenue Requirement (ARR) is basically the sum of the various components which have been justified in detail in above paragraphs hence does not needs any justification/clarification.

Commission’s Analysis

2.9.5. The Commission has observed that as per Table 13 of the petition, Petitioner has claimed a Non-Tariff Income of Rs 7.77 Cr. However, Table No. 14 of the petition reflects Rs 5.41 Cr as Non-tariff Income during the year. Accordingly, , the Commission has noted that the Net ARR, ARR for Transmission and Revenue Gap seem to be incorrect. In this regard, the Commission vide First Additional Information dated 02.01.2025, directed the Petitioner to resubmit the “Aggregate Revenue Requirement for FY 2023-24” in correct and revised form ensuring alignment between the tables and supporting calculations.

In response of the query, the Petitioner has submitted that due to inadvertent linking error while computing the ARR of the FY 2023-24, the non-tariff income has been wrongly linked and hence, it is appeared as Rs. 5.41 Core in the ARR table. Petitioner has further prayed to the Commission to condone the error in terms of the prayer made at Point No.(d) of the prayer section and accordingly the Petitioner resubmitted the ARR table in a corrected form by claiming the Non-Tariff Income as Rs 7.77 Cr.

2.9.6. The Commission is of the view that the charges namely STU, Open Access Charges, SLDC Charges are basically a part of ‘Other Income’ of Transmission business for FY 2023-24. Hence, the stated charges for the purpose of truing up are considered under the Non-Tariff Income from Transmission business for FY 2023-24.

2.9.7. Accordingly, the Commission after due reconciliation of the audited annual accounts for FY 2023-24 submitted by the Petitioner approves the Non-tariff Income for FY 2023-24.

Table 29: Approved Non-Tariff and Other Income for True up of FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
A: Non-Tariff Income	
Interest Income (From Banks)	0.38
Scrap Sale	0.00
AMC Charges	0.48
Rental and hiring Income	0.14
Discount Received	0.00
Fees and Penalties	0.12
Sale of Tender forms	0.04
Miscellaneous receipts	1.20
Amortization of Grant	0.00

Particulars	Amount
Sub-Total (A)	2.36
B: Other Operating Revenue	
STU and Open Access Charges	19.92
SLDC Charges from MePGCL	2.04
SLDC Charges	1.56
Sub-Total (B)	23.52
Total Other Income (MePTCL) (A+B)	25.88
1/3rd MeECL	5.41
Grand Total	31.29

The Commission approves Non-Tariff and Other income at Rs. 31.29 Crore for True up of FY 2023-24.

2.10. Revenue from Transmission Business

Petitioner's Submission

- 2.10.1. Petitioner has submitted that as per the settled methodology adopted by the Commission the Revenue from Sale of Power has been considered as per the audited statement of accounts.

Table 30: Details of Revenue from Transmission Business claimed for FY 2023-24

Particular	Amount
Wheeling Charges	110.99
SLDC Charges from MePGCL	2.04
SLDC Charges from MePTCL	1.54
Total Revenue	114.57
Less: SLDC Charges from MePTCL	1.54
Net Revenue	113.03
STU Charges and Open Access Charges	19.92
SLDC Charges	1.56
Total Revenue	134.51

- 2.10.2. The Petitioner requested the Commission to approve the revenue for FY 2023-24 as Rs. 134.51 Cr.

Commission's Analysis

- 2.10.3. The Commission has observed that the Petitioner has reported Revenue from operations at Rs. 134.51 Crore.
- 2.10.4. It is also observed by the Commission that SLDC and Open Access and STU charges are such components which needs to be considered in the Other

Income vide Non-tariff Income of this Order. Accordingly, the Commission has computed the revenue from operations from Transmission business for FY 2023-24.

Table 31: Approved Revenue from Operations for FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
Revenue from Operations of MePTCL (Note no.25 of audited annual accounts)	110.99

This Commission approves Revenue from Operations at Rs. 110.99 Crore for True up of FY 2023-24.

2.11. SLDC Charges and SLDC ARR

Petitioner's Submission

- 2.11.1. The Petitioner has claimed SLDC ARR of Rs. 3.08 Crores vide Table 15 of the submitted Petition.

Commission's Analysis

- 2.11.2. The Commission has observed that MePTCL and SLDC maintain separate Statements of Accounts, as submitted during the preceding True-Up year. In light of this, MePTCL vide Second Additional Information requirement dated 18.02.2025 was hereby instructed to furnish the Audited Accounts of SLDC for the fiscal year 2023-24 forthwith. The Petitioner, in reply, submitted the SLDC accounts, with a disclaimer that the same is not relevant for this year as the ARR for MePTCL and SLDC are clubbed till FY 2023-24.
- 2.11.3. The Commission after due prudence check considers **Rs. 3.08 Crores** towards SLDC charges for FY 2023-24.

2.12. Accrued Terminal Liabilities

Petitioner's Submission

- 2.12.1. Petitioner has claimed Rs 36.05 Cr as 2nd Instalment of Accrued Liability of Pension.

Commission's Analysis

- 2.12.2. Based on submissions from the Petitioner and actuarial valuation report, the Commission found a total liability of Rs. 3,43,991.88 Lakhs with a cutoff date of 31.03.2023.
- 2.12.3. The Commission in its earlier Orders had declined the consideration of additional revenue requirement on account of past terminal liabilities due to non-institutionalization of the Pension Fund which was supposed to be

created to take care of the terminal liability payments. However, Petitioner has submitted documentary evidence w.r.t institutionalization of the Pension trust in previous year.

- 2.12.4. As per the SOA for FY 2022-23 and the documentary evidence submitted by Petitioner, it is understood that as on the date of effectiveness of the Power Sector Reforms Transfer Scheme 2010, the Govt. of Meghalaya was supposed to contribute Rs 84,004.24 Lakhs to the said pension trust. However, the Govt. of Meghalaya has not made any contribution to the Pension trust till 2022-23. However, in the year 2023-24, Govt. of Meghalaya has contributed an amount of Rs 16,894.49 Lakhs to the Pension Trust.
- 2.12.5. Thus, considering the carrying cost of 7.35% i.e., 10 yr. G-Sec rate over the period when no contribution was provided by the Govt. of Meghalaya, Commission has independently worked out an outstanding liability of Rs 1,93,690.98 Lakhs as on 01.04.2024 against Govt. of Meghalaya towards the quoted pension trust.
- 2.12.6. After taking into consideration the total Terminal Liability as per the Actuarial Valuation report, the contribution to Pension Fund by Govt. of Meghalaya in 2023-24 and the total outstanding liability payable by Govt. of Meghalaya as on 01.04.2024, Commission has worked out an amount of Rs 1,50,209.02 Lakhs as recoverable by the 4 utilities i.e., MeECL, MePGCL, MePTCL & MePDCL as past period Terminal Liabilities through their tariffs.
- 2.12.7. The Commission is also of the considerate view that passing the whole of the balance recoverable pension amount to consumers i.e., Rs 1,50,209.02 Lakhs in a single year might lead to a huge tariff shock. Additionally, the Petitioner in its petition has also prayed for recovery of past period dues in 10 – 15 yrs.
- 2.12.8. Taking the above matters into consideration, Commission has decided to allow recovery of the balance amount of Rs 1,50,209.02 Lakhs from the consumers through an annual recovery mechanism through tariff over and above the normal admissible ARR over a period of 10 yrs starting FY 2023-24. Also, since the amount is being recovered over a period 10 years, Commission has decided to consider an annual carrying cost of 7.35% i.e., 10 yr. G-Sec rate for computation of the annual instalment and accordingly the annual instalment is calculated to be Rs 21,733.70 Lakhs in total for all 4 utilities put together.
- 2.12.9. Taking the above into consideration commission has computed the following as the annual instalment recoverable through tariff by each of the 4 utilities:

Entity	Annual Pension recover on account of Terminal Liabilities (Rs Cr.)
MeECL	1.88
MePDCL	113.18
MePGCL	66.71
MePTCL	35.42

- 2.12.10. **Accordingly, the Commission considers Rs. 36.05 Cr (Rs. 35.42 Crore for MePTCL + 1/3rd of MeECL liability i.e., Rs. 0.63 Crore) to pass through as Accrued Terminal Liabilities in the order for FY 2025-26. Additionally, the Petitioner is directed to pursue the Govt. of Meghalaya for an early liquidation of its pending dues amounting to Rs. 1,93,690.98 Lakhs as on 01.04.2024 towards pension trust.**
- 2.12.11. The Petitioner is hereby directed to timely deposit the amount realized on account of pension through the approved ARR for the year in the Pension Trust.

2.13. Aggregate Revenue Requirement for FY 2023-24

Petitioner's Submission

2.13.1. Based on the computation of various components of ARR as detailed out in previous paragraphs the ARR for 2023-24 is estimated as under:

Table 32: Aggregate Revenue Requirement claimed for FY 2023-24

(in Rs. Crs)

Particulars	Approved by Commission for FY 2023-24	Actual (Claimed)
Return On Equity	15.67	17.89
Depreciation	28.86	19.52
Interest on Loan	5.15	0.00
Interest on Working Capital	3.28	4.16
Operation and Maintenance Expenses	60.04	63.84
SLDC Charges	1.54	1.54
Total ARR	114.54	106.96
Non-Tariff Income	19.08	5.41
Net ARR	95.46	101.55
Less SLDC ARR	3.08	3.08
ARR for Transmission	92.38	98.47
Add: Revenue Gap for FY 2020-21 True Up	18.61	18.61
Total ARR	110.96	117.08

2.13.2. The Petitioner requested the Commission to approve the ARR of Rs. 117.08 Cr for FY 2023-24.

Commission's Analysis

2.13.3. The Commission observed that as per Table 13 of the petition, the Petitioner claimed a Non-Tariff Income of Rs 7.77 Cr. However, Table No. 14 of the petition reflects Rs 5.41 Cr as Non-tariff Income during the year. According to which, the "Net ARR", "ARR for Transmission" and "Revenue Gap" seem to be incorrect. In this regard, the Petitioner vide First Additional Information dated 02.01.2025 was directed to resubmit the "Aggregate Revenue Requi

2.13.4. rement for FY 2023-24" in correct and revised form ensuring alignment between the tables and supporting calculations. In response, the Petitioner rectified the inadvertent linking error and claimed the Non-Tariff Income as Rs 7.77 Cr and accordingly submitted the revised ARR table and Revenue Gap for FY 2023-24 as follows,

Table 33: Modified Aggregate Revenue Requirement claimed for FY 2023-24

(in Rs. Crs)

Particulars	Approved by Commission for FY 2023-24	Actual (Claimed)
Return On Equity	15.67	17.89
Depreciation	28.86	19.52

Particulars	Approved by Commission for FY 2023-24	Actual (Claimed)
Interest on Loan	5.15	0.00
Interest on Working Capital	3.28	4.10
Operation and Maintenance Expenses	60.04	63.84
SLDC Charges	1.54	1.54
Total ARR	114.54	106.90
Non-Tariff Income	19.08	7.77
Net ARR	95.46	99.13
Less SLDC ARR	3.08	3.08
ARR for Transmission	92.38	96.05
Add: Revenue Gap for FY 2020-21 True Up	18.61	18.61
Total ARR	110.96	114.66

- 2.13.5. True up petition filed by the Petitioner has been scrutinized considering the Additional information/data, Audited accounts with reference to the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014.
- 2.13.6. Moreover, the past True-up year Gap/(Surplus) adjustments as had been considered by the Commission in the Review True-Up Order of FY 2020-21 dated 16.11.2023 have been taken into consideration in the present year True-Up exercise of FY 2023-24.
- 2.13.7. Accordingly, the Commission approves the ARR for True up of Transmission business for FY 2023-24 as depicted in the table below:

Table 34: Approved Aggregate Revenue Requirement for True up of FY 2023-24

(in Rs. Crs)

Sl. No.	Particulars	True-Up for FY 2023-24 (Claimed)	True-Up for FY 2023-24 (Approved)
1	Return On Equity	17.89	17.89
2	Depreciation	19.52	19.36
3	Interest on Loan	0.00	0.35
4	Interest on Working Capital	4.16	3.33
5	Operation and Maintenance Expenses	63.84	61.07
6	SLDC Charges	1.54	1.54
7	Gross Annual Revenue Requirement (ARR)	106.96	103.54
8	Less: Non-Tariff Income	5.16	31.29
9	Less: SLDC Gap	3.08	3.08
10	Net Annual Revenue Requirement (ARR)	98.47	69.17
11	Add: Revenue Gap for FY 2020-21 True Up	18.61	18.70
12	Total Recoverable ARR (excluding Pension Liability)	114.66	87.87
13	Comprehensive (Income)/ Expenses (Pension)	36.05	35.42

Sl. No.	Particulars	True-Up for FY 2023-24 (Claimed)	True-Up for FY 2023-24 (Approved)
14	Comprehensive (Income)/ Expenses (1/3 MeECL) (Pension)	0.00	0.63
15	Total Recoverable ARR (including Pension Liability)	150.77	123.92

Based on the above, the Commission approves ARR at Rs. 123.92 Crores for True up of FY 2023-24.

2.14. Revenue Gap/Surplus

Petitioner's Submission

- 2.14.1. Based on the ARR and Revenue presented above the Revenue Gap for FY 2023-24 is presented below,

Table 35: Revenue Gap Claimed for FY 2023-24

<i>(in Rs. Crs)</i>	
Particulars	Amount
Aggregate Revenue Requirement	114.66
Revenue from Sale of Power	134.51
Stand Alone Gap for FY 2023-24	-19.85
Recovery of 2 nd Instalment of Accrued Terminal Liability	36.05
Total Gap/ Surplus	16.20

- 2.14.2. The Petitioner requested the Commission to approve the total gap of Rs. 16.20 Crores for FY 2023-24.

Commission's Analysis

- 2.14.3. The Commission, after due prudence check of the expenditure claimed by the licensee, with reference to the audited accounts and the Revenue received from the operations, the Commission has determined Revenue Gap as detailed in the Table below:

Table 36: Approved Revenue Gap for FY 2023-24

<i>(in Rs. Crs)</i>		
Sl. No.	Particulars	FY 2023-24
1	Approved recoverable ARR (including Pension Liabilities)	123.92
2	Revenue from Operations (as per audited SOA)	110.99
3	Less: Recovery of Proposed Penalty for Non-Compliance of the Directives as analyzed and notified vide page no.46 & 47 of tariff Order FY 2023-24	0.03
4	Revenue Gap/(Surplus)	12.90

Accordingly, the Commission approves Revenue Gap at Rs. 12.90 Crores in True up of FY 2023-24. The Revenue Gap shall be appropriated in the next Tariff Order.

3. Summary of Order for MePTCL.

The summary of True up Order for Transmission Business for MePTCL for FY 2023-24 as approved by the Commission, is represented in the table below:

Table 37: Summary of Approved ARR figures for True-Up of FY 2023-24

(in Rs. Crs)			
Sl. No.	Particulars	True-Up for FY 2023-24 (Claimed)	True-Up for FY 2023-24 (Approved)
1	Return On Equity	17.89	17.89
2	Depreciation	19.52	19.36
3	Interest on Loan	0.00	0.35
4	Interest on Working Capital	4.10	3.33
5	Operation and Maintenance Expenses	63.84	61.07
6	SLDC Charges	1.54	1.54
7	Gross Annual Revenue Requirement (ARR)	106.90	103.54
8	Less: Non-Tariff Income	7.77	31.29
9	Less: SLDC Gap	3.08	3.08
10	Net Annual Revenue Requirement (ARR)	96.05	69.17
11	Add: Correction of True up of FY 2020-21 vide review order dated 16.11.2023	18.61	18.70
12	Total ARR recoverable for FY 2023-24 (excluding Pension Liability)	114.66	87.87
13	Comprehensive (Income)/ Expenses (Pension)		35.42
14	Comprehensive (Income)/ Expenses (1/3 MeECL) (Pension)	36.05	0.63
15	Total Recoverable ARR (including Pension Liability)	150.71	123.92
16	Revenue from Operations (as per audited SOA)	134.51	110.99
17	Less: Recovery of Proposed Penalty for Non-Compliance of the Directives as analyzed and notified vide page no.46 & 47 of tariff Order FY 2023-24	-	0.03
18	Revenue Gap/(Surplus)	16.20	12.90

4. Commission's Directives

The Commission hereby gives the Petitioner the following directives for strict adherence and is of the view that non-compliance of the directives may lead to non-admittance of the future petitions.

Table 38: Commission's Directive

Sl. No.	Particulars												Timeline	
1	The Petitioner to submit Additional Capitalization funding structure for the respective year												To be provide during the Next True-Up petition for FY 2024-25 (for all Tabular formats)	
	No.	Category of Asset	Description/ Equipment/ Asset	Date of Addition	GFA Added During the True-Up Year (In Rs. Cr.)	GFA Capitalized During the Year (In Rs. Cr.)	Funding Source for Capitalization through Loan (In Rs. Cr.)	Funding Source for Capitalization through Grant (In Rs. Cr.)	Scheme of Grant used for capitalisation	Funding Source for Capitalization through Equity (In Rs. Cr.)	Justification for Capitalization	Reference of Notes to the Financial Statement		Supporting Documents Provided (Yes/No)
	1													
	2													
	3													
	4													
	5													
	Particulars		Total Additional Capitalization (In Rs. Cr.)	Funded through Grant (In Rs. Cr.)	Funded though Equity. (In Rs. Cr.)	Funded through Debt (In Rs. Cr.)								
	True-up year													
	Current Financial Year													
	Ensuing Financial year													

Sl. No.	Particulars					Timeline	
2	The Petitioner to provide annual Grant data capturing the following details:						
	a. Scheme wise grant allocation details						
	Sl. No.	Scheme of Grant	Details of scheme	Utilized in	Total Grant received till 31st March of True-Up Year	Grant received in TU year	
	1	Scheme-1					
			Total				
	2	Scheme-2					
			Total				
	n	Scheme-N					
			Total				
	b. Grant Capitalization details						
	Particulars	Opening Balance (As on 1st April)	Closing Balance (As on 31st March)				
	Grant Allocated						
Grant Capitalized							
Grant Amortized during the year							

Sl. No.	Particulars	Timeline																																																																
3	<p>The Petitioner to provide yearly Loan data capturing the following details:</p> <p>a. As per Normative calculation/ Regulatory Accounts</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Loan -1</th> <th style="text-align: center;">Loan -2</th> <th style="text-align: center;">Loan-N</th> </tr> </thead> <tbody> <tr><td>Loan</td><td></td><td></td><td></td></tr> <tr><td>Opening balance</td><td></td><td></td><td></td></tr> <tr><td>Additional Loan drawl</td><td></td><td></td><td></td></tr> <tr><td>Repayment</td><td></td><td></td><td></td></tr> <tr><td>Closing Balance</td><td></td><td></td><td></td></tr> <tr><td>Applicable Interest rate</td><td></td><td></td><td></td></tr> <tr><td>Interest on Loan (excl. Penal interest)</td><td></td><td></td><td></td></tr> </tbody> </table> <p>b. As per Actual /financial account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Loan -1</th> <th style="text-align: center;">Loan -2</th> <th style="text-align: center;">Loan-N</th> </tr> </thead> <tbody> <tr><td>Loan</td><td></td><td></td><td></td></tr> <tr><td>Opening balance</td><td></td><td></td><td></td></tr> <tr><td>Additional Loan drawl</td><td></td><td></td><td></td></tr> <tr><td>Repayment</td><td></td><td></td><td></td></tr> <tr><td>Closing Balance</td><td></td><td></td><td></td></tr> <tr><td>Applicable Interest rate</td><td></td><td></td><td></td></tr> <tr><td>Interest on Loan (excl. Penal interest)</td><td></td><td></td><td></td></tr> </tbody> </table> <p>*(additional annexure for detailed actual loan portfolio data is attached below)</p>	Particulars	Loan -1	Loan -2	Loan-N	Loan				Opening balance				Additional Loan drawl				Repayment				Closing Balance				Applicable Interest rate				Interest on Loan (excl. Penal interest)				Particulars	Loan -1	Loan -2	Loan-N	Loan				Opening balance				Additional Loan drawl				Repayment				Closing Balance				Applicable Interest rate				Interest on Loan (excl. Penal interest)				
Particulars	Loan -1	Loan -2	Loan-N																																																															
Loan																																																																		
Opening balance																																																																		
Additional Loan drawl																																																																		
Repayment																																																																		
Closing Balance																																																																		
Applicable Interest rate																																																																		
Interest on Loan (excl. Penal interest)																																																																		
Particulars	Loan -1	Loan -2	Loan-N																																																															
Loan																																																																		
Opening balance																																																																		
Additional Loan drawl																																																																		
Repayment																																																																		
Closing Balance																																																																		
Applicable Interest rate																																																																		
Interest on Loan (excl. Penal interest)																																																																		

The Petitioner shall file Status of the all the Directives mentioned in this order and the Tariff Order of FY 2023-24 dated 30.03.2023 under respective sections from time to time and a Compiled status copy with all relevant supporting documents at the time of next True-up Petition.

Annexure: Loan Portfolio

Particulars	Loan Details			As on 01.04.2024			During the Year										As on 31.03.2025	
	Total Loan amount at the Date of Drawl	Rate of interest applicable at the date of drawl	Date of Drawl	Loan Outstanding	Loan repayment of FY preceding True-up year	Interest Due	Loan addition	Previous year Repayment paid	Repayment due for this year	Repayment Made	Rate of interest as on 31 st March 2025	Interest accrued	Interest paid	Penal interest due	Penal Interest paid	Loan outstanding	Interest accrued but not due 31.03.2025	
Loan 1																		
Loan 2																		
Loan n																		

Particulars	Accrued at the beginning	Accrued during the year	Total	Interest Paid	Interest accrued but not due
Loan 1					
Loan 2					
Loan n					

5. Applicability of the Order

This Order shall come into effect from 1st April 2025.

The Petition of Meghalaya Electricity Power Transmission Company Limited (MePTCL) in Case No. 05 of 2024 stands disposed of accordingly.

Sd/-

**Ramesh Kumar Soni,
Member (Law)**

Sd/-

**Chandan Kumar Mondol,
Chairman**