



**MEGHALAYA STATE ELECTRICITY REGULATORY
COMMISSION SHILLONG**

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

Order on Case No. 07 of 2025

**Petition of the Meghalaya Power Transmission Corporation Ltd for approval of True
Up of Transmission and SLDC Business for FY 2024-25.**

Coram

Shri. Chandan Kumar Mondol, Chairman

Petitioner:

Meghalaya Power Transmission Corporation Ltd. (MePTCL)
Lum Jingshai, Short Round Road,
Shillong – 793 001

**Order
(Dated: 25.03.2026)**

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 2023-24 dated 22.03.2025.

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 2024-25 vide Tariff Order dated 24.10.2024. Subsequently, the Commission had issued a Corrigendum Order in Case No. 31 & 33 of 2023 dated 21.11.2024 to the Tariff Order dated 24.10.2024.

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 and SLDC Business for FY 2024-25 & Revised Aggregate Revenue Requirement for FY 2026-27 and Determination of Transmission Tariff and SLDC Charges for FY 2026-27 on 28th November 2025.

In this order, the Commission has undertaken 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 and SLDC for FY 2024-25 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/-

**Chandan Kumar Mondol,
Chairman**

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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 2024-25 to FY 2026-27 vide MYT Order dated 24.10.2024 in Case No. 31 & 33 of 2023.

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 read along with its subsequent amendments has filed its application for Truing Up of Transmission Business and SLDC for FY 2024-25 dated 28.11.2025.
- 1.2.2. This Commission vide letter dated 10.12.2025 had admitted the Petition 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 16.12.2025 and 17.12.2025 abstract of the Petition were published in The Shillong Times- English Edition, Mawphor Khasi Edition, Salantini Achik Edition and Yutip Jaintia Edition inviting

objections/suggestions from stakeholders within 30 (thirty) days from the date of publication.

- 1.2.4. Commission vide Notification dated 15th January 2026, had extended the last date for submission of objections/suggestions and comments by the stakeholders upto 30.01.2026.
- 1.2.5. This Commission on 11.02.2026 and 12.02.2026 published notices for Public Hearing in the daily locals viz Shillong Times, Shillong & Tura Edition, and U Nongsain Hima.
- 1.2.6. The Additional Information and Additional Submission of the Petitioner, Objections and Suggestions of the Stakeholders and Replies of MePTCL thereof, have been uploaded on the website of the Commission.
- 1.2.7. On 09.03.2026, in compliance of the due regulatory procedures public hearing of the submitted application for Truing Up of Transmission Business and SLDC for FY 2024-25 dated 28.11.2025 was conducted in the presence of the Petitioner and the stakeholders.
- 1.2.8. This Commission, during the process of evaluating the submitted application for Truing Up of Transmission Business for FY 2024-25, had received objections/suggestions from Byrnihat Industries Association (BIA) dated 28.01.2026. 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.
- 1.2.9. 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.
- 1.2.10. 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."*

- 1.2.11. 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 2024-25 for MePTCL

2.1. Performance Highlights of Transmission Business

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 2024-25

Substation (in MVA)			
	FY 2022-23	FY 2023-24	FY 2024-25
400 KV	630	630	630
220 KV	520	1160	1160
132 KV	640	840	843
Total	1790	2630	2633

Transmission Lines (in Ckm)			
	FY 2022-23	FY 2023-24	FY 2024-25
400 KV	4.648	4.648	4.648
220 KV	226.84	365.16	485.88
132 KV S/C	538.72	538.72	523.276
132 KV D/C	708.844	708.844	844.064
132 KV M/C	15.96	15.96	15.96
Total	1495.012	1633.332	1873.828

Respondents' submission in this regard

- 2.1.3. BIA has stated that Petitioner has submitted a substantial growth in transmission infrastructure during FY 2024-25, achieving a Transmission System Availability of 99.70%, surpassing the approved benchmark of 99.25%. Similarly, Transmission Loss has reduced to 2.52%, which is below the approved transmission loss of 3.18%.
- 2.1.4. BIA appreciated this commendable improvement in system efficiency and operational performance.

Commission's Analysis

- 2.1.5. The Commission duly notes the submissions of BIA. The Commission vide First Additional Information Requirement dated 06.01.2026, directed the Petitioner to submit the growth in Number of Bay for last three years i.e. FY 2022-23, FY 2023-24 and FY 2024-25. In response the Petitioner submitted the following:

Table 2: Details of Growth in Bays Claimed for FY 2024-25

Year-wise addition of Bays at EHT Level				
Sl No	Year	Type of bays	No. of bays	Name of the Elements
1	2022-23	Nil	Nil	Nil
2	2023-24	220kV Line Bays	8	220kV Killing -Mawphlang D/C Line
				220kV Mawphlang - Killing D/C Line
				220kV Mawphlang -New Shillong D/C Line
				220kV New Shillong-Mawphlang D/C Line
		220/132kV, 160MVA Transformer Bay	2	220/132kV, 2x160MVA Transformers 1&2 at New Shillong
		132/33kV, 50MVA Transformer Bay	2	132/33kV, 2x50MVA Transformers 1&2 at Phulbari S/S
132kV Line Bays	4	132kV Ampati -Phulbari D/C Line		
		132kV Phulbari-Ampati D/C Line		
3	2024-25	132/33kV, 50MVA Transformer Bay	2	132/33kV, 2x50MVA Transformers 1&2 at Mynkre S/S
		132kV Line Bays	4	132kV Mynkre-MLHEP-1 D/C Line
				132kV Ampati -Hatsingmari (Assam)D/C Line under TBCB

Transmission System Availability Factor & Transmission losses

Petitioner’s Submission

2.1.6. The Transmission System Availability Factor and Transmission loss for FY 2024-25 as submitted by the Petitioner is tabulated below:

Table 3: Transmission System Availability and Transmission Losses Claimed for FY 2024-25

Particulars	FY 2024-25
Transmission System Availability (%)	99.70
Transmission Loss (%)	2.52

2.1.7. The Petitioner has prayed to approve the Transmission System Availability Factor of 99.70% and Transmission Loss of 2.52% for FY 2024-25.

Commission’s Analysis

2.1.8. 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 ensure its overall transmission system efficiency & availability for the benefit of all stakeholders.

2.2. Gross Fixed Assets of Transmission Business

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 22.03.2025 in Case No. 5 of 2024 for Truing Up of Expenses of Transmission Business for FY 2023-24, after reducing the opening balance of SLDC for FY 2024-25. 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 2024-25

(in Rs. Crs)

Particulars	Approved True Up (FY 2023-24)	Actual FY 2024-25
Opening Gross Fixed Assets	545.41	641.25
Addition to Gross Fixed Assets during the year	112.13	65.19
Deletion to Gross Fixed Assets during the year	0.00	0.66
Closing Gross Fixed Assets	657.54	705.78

2.2.2. The reconciliation of the Opening GFA considered for FY 2024-25 True Up is Tabulated below:

Table 5: Reconciliation of "Opening GFA and Addition" Claimed for FY 2024-25

(in Rs. Crs)

Particular	Legend	Amount
Opening GFA as per SOA (Note 2)	A	657.53
Less: Opening GFA of SLDC (SLDC Accounts- Note 2)	B	16.28
GFA of Transmission	C= (A-B)	641.25
Addition as per SOA (MePTCL Accounts Note 2)	D	65.20
Deletion as per SOA (MePTCL Accounts Note 2)	E	0.66
Addition pertaining to SLDC (SLDC Accounts Note 2)	F	0.01
Deletion pertaining to SLDC (SLDC Accounts Note 2)	G	0.01
Addition for MePTCL	H= D-F	65.19
Deletion for MePTCL	I= E-G	0.66

Respondents' submission in this regard

2.2.3. BIA submitted that MePTCL (Petitioner) had claimed additional capitalization of Rs 65.19 crore in the present True-Up petition without furnishing any supporting details, documents, or justification. It is stated that additional capitalization is permissible under Regulation 29 of the MYT

Regulations, 2014 only after a prudence check and only for specific categories such as expenditure on works within the original scope, undischarged liabilities, change in law, compliance with court orders, procurement of initial spares, or essential additional works required for efficient operation. However, MePTCL has not demonstrated that its claims fall under any of these permissible categories.

2.2.4. BIA has additionally submitted that since no evidence or explanation has been provided regarding the nature, necessity, or categorisation of these additions to the GFA, the said claims cannot be admitted for true-up of ARR for FY 2024-25.

2.2.5. BIA has pointed out that the Statement of Accounts indicates a deduction of Rs 138.20 crore from CWIP, whereas MePTCL has claimed capitalization of only Rs 65.19 crore. As per Note 3.2, Rs 64.61 crore relates to current-year deductions and Rs 73.58 crore pertains to prior-period adjustments. Out of this, Rs 72.96 crore is a swapping/transfer entry and ₹0.62 crore is a rectification entry. MePTCL must provide full disclosure, along with the financial impact of these adjustments on the ARR.

2.2.6. BIA has objected that as per Note 3.4 of the SOA, Rs 12.04 crore of capitalization has remained pending for more than three years, with no details provided and no action taken by MePTCL. This prolonged pendency requires justification.

2.2.7. BIA has further contended that Petitioner has claimed only Rs 65.19 Cr for Capitalization, whereas the Commission provisionally approved Rs 156.58 Cr in MYT Order in Case No. 31 & 33 of 2023, indicating significant delay in implementation of several schemes, which is ultimately expected to result in time & costs over-runs. In turn, BIA has also stated that such spillover cost cannot be passed on to consumers. In the above context, BIA has requested the Commission to direct the Petitioner to provide the status report of each scheme along with spillover and delay details.

MePTCL's Response to Respondent's submissions

2.2.8. The Petitioner, in response to the objections raised by BIA, has submitted that the Additional Capitalization has been claimed strictly as per the Audited Statement of Accounts. The complete details of capitalization, both scheme-wise and asset-wise, along with the corresponding funding pattern, were duly submitted with the Petition, supported by auditor certification. These documents were also uploaded on the Corporation's website, and it appears that the Objector has inadvertently overlooked the same.

2.2.9. Further, the Petitioner requested the Commission to reject the contentions raised by the Objector and to allow the Additional Capitalization as claimed by the Petitioner.

- 2.2.10. With regard to the contentions relating to CWIP, the Petitioner submitted that all relevant details including rectification entries, reasons for non-capitalization of certain expenditures, and other explanations sought, have already been furnished. Therefore, there is no discrepancy of any nature, and the objections raised by the Objector are liable to be rejected in totality.

Commission's Analysis

- 2.2.11. 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, after deducting the opening balance of GFA pertaining to SLDC for FY 2024-25.
- 2.2.12. The Commission, vide First Additional Information requirement dated 06.01.2026, sought clarity on dispute about the freehold land, as it had been identified that MePTCL had not maintained complete documentary evidence for the valid title deeds of freehold land, as per Para 2 of Annexure A of the 'Companies (Auditor's Report) Order'.

In response the Petitioner clarified that there is no dispute over the ownership of the land assets allotted to the Petitioner at the time of trifurcation of the erstwhile Meghalaya State Electricity Board. The remark of the auditor pertains only to the fact that certain title deeds continue to be recorded in the name of the erstwhile Board or Holding Company, rather than in the name of the Petitioner (MePTCL). Further, the Petitioner has stated that this is a documentation-related matter and does not affect the Company's actual ownership or possession of the land parcels. To address the issue, the Petitioner has submitted that it had undertaken the following actions:

- a) Identifying all lands belonging to the Petitioner.
- b) Effecting the transfer of title deeds from the name of the erstwhile Board/Holding Company into the name of the Petitioner.
- c) Ensuring that complete documentary evidence is maintained for future verification.

The Petitioner has committed to completing the title-transfer process expeditiously and ensuring that all deeds are updated in its name to eliminate the possibility of future audit qualifications.

- 2.2.13. The Commission noticed that the Petitioner (MePTCL) did not comply with the directive under Para 2.2.20 of True-Up Order for FY 2023-24 dated 22.03.2025 regarding the submission of detailed scheme-wise status of assets along with proper justification and requisite supporting documents. In this regard, vide First Additional Information Requirement dated 06.01.2026, the Commission directed MePTCL to furnish detailed breakup of Asset class wise, Scheme-wise and line item-wise additions and deletions from the GFA

for FY 2024-25 along with necessary supporting documents and auditor certificate for proper management of fixed assets. In reply the Petitioner submitted the requisite information in an excel format.

- 2.2.1. The Commission observed that the Petitioner had not reported any Intangible Assets in its audited financial statements up to FY 2023-24. However, in the financial statements for FY 2024-25, the Petitioner has disclosed Opening Intangible Assets of Rs 5,65,20,797 (i.e. Rs. 5.67 Cr.) out of the total Opening Gross Fixed Assets of Rs 6,57,53,41,515 (i.e. Rs. 657.53 Cr.). It is further noted that the entire said claim predominantly pertains to the SLDC business. In view of the above, the Petitioner vide First Additional Information Requirement dated 06.01.2026, was directed to furnish a comprehensive reconciliation and detailed breakup of the Intangible Assets, duly supported by a statutory auditor's certificate, for regulatory scrutiny.

In response, the Petitioner submitted that as part of an initiative to enhance transparency and accuracy in the presentation of its Financial Statements, certain assets previously classified under 'Office Equipment' have been re-classified as intangible assets. These assets include the SCADA-EMS System, the Automated Demand Management System, and software associated with ADB meters. The Petitioner further added that as these assets pertain exclusively to SLDC operations, they have now been appropriately reported under the SLDC business only.

- 2.2.2. The Commission observed in 'Capital work in progress (CWIP) Ageing Schedule' (Note 3.4) that Rs 6.82 Cr. had already been non-capitalized during FY 2023-24 for more than 3 years and this has been increased to Rs 12.04 Cr during FY 2024-25. In this regard, the Petitioner vide First Additional Information requirement dated 06.01.2026, 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 that except the following works reflecting in CWIP all the other works are under progress and are yet to be capitalized:

- a. 14.206 (CWIP-T&T Scheme(D))
- b. 14.922 (CWIP-T&T Normal Dev Scheme)
- c. 14.924 (CWIP - T&T Normal Dev Scheme(A))
- d. 14.925 (CWIP - T&T Normal Dev Scheme (B))
- e. 14.NLCPR (CWIP-NLCPR)
- f. 14.XXX NEC Schemes (CWIP-NEC Schemes)

The Petitioner further added that the total amount reflecting in CWIP pertaining to above projects is Rs. 1,51,91,991.64 and these projects are pending for capitalization due to legacy issues, on which MePTCL is working for resolution of these issues and is expected to be resolved in FY 2025-26. In this regard, the Commission further sought an auditor certificate during the Technical Validation session on 20.02.2026. However, the Petitioner failed to provide the same.

- 2.2.3. The Petitioner vide First Additional Information requirement dated 06.01.2026 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 6: Commission's observation on Note 3.3 of Statement of Accounts for FY 2024-25

Sl. No.	Particulars	As at 31st March 2025
1	Capitalised during the year	64,61,43,832
2	Rectification entry	61,30,616
3	Swapping/Transfer Entry	72,96,88,592
	Total	1,38,19,63,040

The Petitioner, in reply, submitted the requisite details of the swapping and rectification entries along with justification in excel format.

- 2.2.4. It is evident that 'the Assets transferred from CWIP' as per Note 3 is not aligned with 'Addition in GFA as per Note 2 of the Audited Financial Statement of FY 2024-25, which is basically a continuous dispute of the accounting methodology of the Petitioner. Accordingly, the Petitioner was directed to submit item-wise details and reconciliation of assets Addition and Disposals for FY 2024-25.

In reply to this query, MePTCL clarified that all expenditures related to capital works are initially booked under the CWIP ledgers and upon completion of the works and conversion into usable assets, the corresponding amounts are transferred from CWIP to the Asset ledgers, after which depreciation is charged in accordance with regulatory norms. Further, MePTCL referred Note. 3.3 of Audited statements to show the bifurcations of different entries under CWIP (i.e. Capitalised during the year, Rectification entry and Swapping/Transfer Entry).

Upon review of the submission, the Commission observed that there is a further minor difference of Rs 0.59 Cr between the amount of assets "Capitalised during the year" vide Note 3.3 and "Addition to GFA during the year" as per Note 2. The Commission, therefore, finally decides to allow the Addition to GFA vide Note 2 of Audited financial statement.

2.2.5. The Petitioner was directed vide Second Additional Information requirement dated 16.02.2026, to provide Fixed Asset Register for FY 2024-25 as required by the Companies Act. This direction was issued in view of the Petitioner's non-compliance with the Commission's Directive under Paragraph 2.2.24 of the True-Up Order for FY 2023-24 dated 22.03.2025, which required completion of Third-Party Physical Verification of assets within six (6) months of the issuance of that Order. According to this query, the Petitioner replied that the process of third-party physical verification of assets could not be carried out till now and further requested the Commission to allow some more time as this activity is being done for the first time.

2.2.6. The Petitioner vide Second Additional Information Requirement dated 16.02.2026 was directed to submit a detailed breakup of Rs 64.61 Cr under the 'Additions to the GFA during the year' in respect of the 'Lines and Cable Network' for its transmission business, along with supporting documents including but not limited to (a) Original Board approval and Government approval, (b) Detailed Project Report, (c) Fund deployment details, (d) Certificate of Authorised signatory for completion of the projects, (e) Detailed Financing of the schemes and Any cost benefit analysis for these projects etc.

In reply the Petitioner submitted that the capitalized projects are funded through PSDF grants and the documentation of these might be very voluminous. Hence, the Petitioner craved leave of the Commission to submit the sought information. Further, the Petitioner stated that since these are funded through grants and hence do not have any impact of tariff hence cost benefit analysis might not be required.

2.2.7. The Commission observed that the Petitioner (MePTCL) has submitted the True-Up and Revised Tariff claims for its Transmission and SLDC businesses separately; however, while claiming various ARR components, MePTCL has deducted SLDC-related amounts from the consolidated financial statements of the Transmission business and claimed only the net figures. Since Transmission and SLDC are distinct activities, their financial accounts are required to be prepared and audited independently, without any intermixing or overlap. Accordingly, the Commission, vide Second Additional Information Requirement dated 16.02.2026, directed MePTCL to submit separately prepared and independently audited Financial Statements for the Transmission business exclusively, clearly segregated from the SLDC business, to enable proper regulatory scrutiny.

In response, the Petitioner submitted that the functions of Transmission and SLDC have already been bifurcated, and the amounts reflected in the ARR have been separated solely for regulatory compliance. The Petitioner further clarified that Meghalaya SLDC is not a separate legal entity, as it is not registered under the Companies Act and operates as an SBU of the Transmission Company. Therefore, preparation of separate accounts audited by the Statutory Auditor is not possible. The Petitioner also claimed

that, it has adopted the practice of Segmental Reporting in its Statement of Accounts for tariff-related purposes, which is audited by the Statutory Auditor and disclosed under Disclosure 40. Additionally, the Petitioner has resubmitted the SLDC accounts audited by an independent auditor.

- 2.2.8. The Commission further, vide First Additional Information Requirement dated 06.01.2026, sought clarification along with appropriate justification of the rationale for the accounting treatment of Rs 32.62 Cr, booked in different schemes as per Note 3.2 of Financial Statements of FY 2024-25.

Table 7: Commission's observation on Note 3.2 of Statement of Accounts for FY 2024-25

S.No.	Name of Unit	As at 1st April 2024 (Restated)	Additions during the year	Deductions/ Adjustments during the year	Adjustments of Prior Periods	As at 31st March 2025
1	T & T Umiam (211)	4,90,79,528	30,10,90,533	21,72,48,153		13,29,21,908
2	T & T Shillong (221)	35,70,012	42,88,95,679	42,88,95,679		35,70,012
3	T & T Byrnihat (231)	2,00,00,000			(2,00,00,000)	-
4	T & T Tura (242)	13,12,28,307	1,81,99,287			14,94,27,594
5	System Protection Umiam (PSDF)	66,22,67,208	5,48,21,550		(71,58,19,208)	12,69,550
6	MePTCL Principal A/c (920)	1,35,77,981	1,02,45,055			2,38,23,036
7	Others	1,51,91,992				1,51,91,992
	Total	89,49,15,029	81,32,52,104	64,61,43,832	(73,58,19,208)	32,62,04,093

In response to the above query, the Petitioner submitted the details of the Scheme/Project as follows:

Table 8: Petitioner's submission on Note 3.2 of Statement of Accounts for FY 2024-25

Sl. No.	Name of the Accounting Unit	Name of the Scheme/Project (Accounting Ledgers)	Amount
1	T & T Umiam	14.176C (CWIP L&C Network Mawlai-Cherra LILO Line)	4,90,79,528
		14.PSDF(Bus Reactor) (CWIP for Bus Reactor at Killing S/s)	8,38,42,380.00
Sub Total			13,29,21,908
2	T & T Shillong	14.XX6 (Mynkre) (Capital Work In Progress Mynkre S/Stn Under NERPSIP)	27,41,229.00
		14.XXX(SAI) (CAPITAL WORK IN PROGRESS- SAISIEJ)	8,28,783.00
Sub Total			35,70,012.00

Sl. No.	Name of the Accounting Unit	Name of the Scheme/Project (Accounting Ledgers)	Amount
3	T & T Tura	14.186(H) (LILO at Praharinagar)	8,53,34,936.00
		14.186(I) (Praharinagar Sub-Station)	5,36,05,722.00
		14.ISTS NGL (ISTS Nangalbibra S/s)	1,04,86,936.00
Sub Total			14,94,27,594.00
4	System Protection PSDF	14.PSDF (Bus Reactor) (CWIP for Bus Reactor at Killing S/s)	12,69,550.00
Sub Total			12,69,550.00
Grand Total			28,71,89,064

2.2.9. The Petitioner has attached the accurate funding pattern substantiated by Auditor Certificate for FY 2024-25, while submitting the True up Petition, which reflects an Additional Capitalization of Rs. 65.19 Cr. after deducting the capitalized asset of SLDC business, which is in line with Note 2 of Financial Statement of Transmission and SLDC business of FY 2024-25.

2.2.10. 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 with an adjustment of deduction of the relevant amount pertaining to SLDC business and the Auditor Certificate.

2.2.11. The Asset wise breakup for Approved Gross Fixed Assets for the True up order of FY 2024-25 is given below:

Table 9: Approved Gross Fixed Assets of Transmission Business for FY 2024-25

(in Rs. Crs)

Particular	As at 1st April, 2024	Additions during the year	Disposals and/ or Deductions during the year	As at 31st March, 2025
Land	12.14	0.00	0.00	12.14
Buildings	18.17	0.00	0.00	18.17
Plant and Equipment	245.36	0.33	0.65	245.04
Furniture and Fixtures	0.98	0.01	0.00	0.98
Vehicles	0.22	0.09	0.00	0.31
Office equipment	0.47	0.14	0.00	0.61
Others	-	-	-	-
Hydraulic Works	0.09	0.00	0.00	0.09
Other Civil Works	12.96	0.00	0.00	12.96
Lines and Cable	350.86	64.61	0.00	415.48

(in Rs. Crs)

Particular	As at 1st April, 2024	Additions during the year	Disposals and/ or Deductions during the year	As at 31 st March, 2025
Network				
Total	641.25	65.19	0.66	705.78

2.2.12. **Accordingly, this Commission approves Rs 641.25 Crores as Opening GFA and Rs. 705.78 Crores as the Closing GFA for FY 2024-25.**

2.2.13. 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.

2.2.14. 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.

2.2.15. 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.

2.2.16. The Commission further 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 under CWIP Ageing schedule needs to 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.

2.2.17. The Commission allows some more time as one time exception of non-compliance of the previous year True up Order regarding the non-submission of Fixed Asset Register and directs the Petitioner to conduct the Third-Party Physical Verification of its assets for preparation of a consolidated digitalized Fixed Asset Register (FAR) duly reconciled by Third-Party Auditor at the earliest prior to submission of the Next True-Up Petition and submit the report of the same with the Commission for its consideration.

2.3. Grant Adjustment and Funding Pattern of Transmission Business

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 22.03.2025 in Case No. 5 of 2024.

2.3.2. The Petitioner submitted its revised calculation of Capital structuring vide dated 13.03.2026 as follows:

Step 1- The Petitioner considered the Total Grants in SLDC as Rs. 9.75 Cr. out of which Rs. 1.01 received in FY 2024-25.

Step 2 – Grants included in the Closing grants of Transmission as on 31st March 2024 Rs. 8.74 Cr.

Step 3- Opening Grants to be considered for Transmission as on 1st April 2024 is Rs. 220.42 Crore (Rs. 229.16 Crore Less 8.74 Crore).

Step 4- Opening Grants to be considered for SLDC Rs. 9.75 Crore.

Table 10: Claimed Changes in the Opening grant in Transmission Business for FY 2024-25

Particular	Original Claim (Rs. Cr.)	Revised claim (Rs. Cr.)
Closing Grants Approved for FY 2023-24 (Combined Transmission and SLDC)	229.16	229.16
Less: Opening Grants of SLDC (Grants Received prior of FY 2024-25)	0.00	8.74
Opening Grants for Transmission for FY 2024-25	229.16	220.42

2.3.3. The movement of grants for FY 2024-25 as submitted by the Petitioner based on the revised submission on 13.03.2026, is provided in the table below:

Table 11: Capital Structuring Claimed for 2024-25

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2023-24 (Approved)	True-up of FY 2024-25 (Claimed)
Gross Fixed Asset			
1	Opening GFA	545.41	641.25
2	Addition of GFA	112.13	65.19
3	Deletion of GFA	0	0.66

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2023-24 (Approved)	True-up of FY 2024-25 (Claimed)
4	Closing GFA	657.54	705.78
5	Average GFA	601.47	673.52
Grant Adjustment			
6	Opening Grant	121.76	220.42
7	Add-cap funded through grant	107.4	64.61
8	Closing Grant	229.16	285.03
9	Average Grant	175.46	252.73
10	Addition of fresh loan for current year add-cap	3.31	0.40
11	Addition of fresh equity for current year add-cap	1.42	0.17

2.3.4. The Petitioner requested the Commission to approve the Capital Structuring as computed above.

Respondents' submission in this regard

2.3.5. BIA has stated that while the Commission had approved a closing grant balance of Rs. 229.16 crore for FY 2023-24, MePTCL has shown an opening grant balance of only Rs. 218.08 crore as on 01.04.2024 in the Original Petition. BIA further contended that MePTCL has underreported the opening balance of Government Grant by Rs. 11.08 crore in the present petition, without providing any justification for this discrepancy.

2.3.6. BIA has further highlighted that there exists a material mismatch between (a) the grant figures approved by the Commission, (b) the amounts reflected in the audited accounts, and (c) the amounts claimed in the petition, thereby raising concerns about the correctness and consistency of MePTCL's submission.

Table 12: Reconciliation of Grant submitted by BIA for 2024-25 (Rs. Crores)

Particulars	Petition	Approved	Accounts
Opening Balance Discrepancy			
Table 5 - Capital Structuring for 2024- 25			
<i>Opening Balance</i>	218.08		
<i>Table 10: Approved Grant adjustment and funding pattern for FY 2023-24</i>			
Closing Balance		229.16	
Note 17.1 – Government Grants			135.96
Grant Addition Discrepancy			
Table 5 - Capital Structuring for 2024- 25	64.61		
Note 17.1 – Government Grants			7.72
Note 24 – Deferred Revenue (19.53- 6.11)			13.42

- 2.3.7. Accordingly, BIA has prayed that the same may be considered by the Commission and MePTCL be directed to provide detailed explanation for these discrepancies.

MePTCL's Response to Respondent's submissions

- 2.3.8. The Petitioner has clarified that the grants which are required to be deducted from the Gross Fixed Assets (GFA) for the purpose of ARR computation are only those grants pertaining to assets that have been capitalized, and not those relating to assets still forming part of CWIP. As per applicable accounting standards, all grants received must be recorded in the books of accounts irrespective of whether the associated assets have been capitalized or are still under execution. Accordingly, comparing the total grants reflected in the financial statements with the grants considered for ARR purposes is not correct, as the figure in the audited accounts includes grants pertaining to both capitalized assets and works under progress.
- 2.3.9. The Petitioner further stated that the funding pattern corresponding to the capitalization, along with the auditor's certification, was duly filed with the Petition. Therefore, the contention raised by the Objector in this regard is incorrect and liable to be rejected.

Commission's Analysis

- 2.3.10. The Commission vide First Additional Information requirement dated 06.01.2026, directed the Petitioner to submit the asset class wise and scheme wise Grant capitalized data, which is considered under Fixed Asset, and which is still lying under CWIP along with documentary evidence of Govt. Order and Auditor certificate for the grant schemes to verify the Grant movement.

In reply, the Petitioner submitted the requisite detailed data in the prescribed format duly certified by Auditor. The Commission prudently checked the submission and observed that the total amount of Grant capitalization matched with the Auditor Certificate of Funding pattern, which was submitted with the Petition. However, the Commission is of the view that the Petitioner has not responded to the Commission's "Additional Information Requirement" properly with the supporting documents that were sought for due diligence.

- 2.3.11. The Commission has observed that the Deduction in 'Deferred Revenue' under 'Non-Current Liabilities' as per Note 17.1 of Audited Annual Accounts (Rs 9.30 Cr) is correctly matched with Amortization of Grant under Note 26 of the Audited accounts for FY 2024-25 (Rs 9.30 Cr), but differs from the figure of 'Deferred Revenue' under Current Liabilities as per Note No. 24 of Audited Accounts for FY 2024-25 (Rs 19.53 Cr), which ideally should be aligned. Accordingly, the Commission directs the Petitioner to ensure

adherence to proper accounting principles and maintain consistency in the treatment of Deferred Revenue in the books of accounts.

- 2.3.12. The Commission observed that the Petitioner has claimed Rs 218.08 crore as the Opening Grant for FY 2024-25 in the Original Petition, whereas the Commission had approved a Closing Grant of Rs 229.16 crore for FY 2023-24 in the previous True-Up Order. The Commission notes a discrepancy between the approved closing balance and the opening balance now reported by the Petitioner for the true-up of FY 2024-25. Accordingly, the Petitioner, vide First Additional Information requirement dated 06.01.2026, was directed to submit a detailed justification for this variation, supported with valid documentation to enable proper regulatory verification.

The Petitioner, in response to the above query, has stated that the True-Up Order for FY 2023-24 considered the Transmission and SLDC businesses jointly, whereas in the subsequent Tariff Order dated 24.10.2024 in Case No. 31 and 33 of 2023, the Commission determined the ARR for Transmission and SLDC businesses separately. Accordingly, the Petitioner has considered the grants allocated for FY 2024-25 as reflected in Table 37 (Page 50) of the said Tariff Order for the purpose of the present Petition. The Petitioner submitted that the opening grant position has therefore been aligned strictly with the Commission-approved figures for FY 2024-25.

The Commission, in this regard, prudently checked the submissions and has noticed that the Petitioner has claimed zero grant in the Capitalized Asset for its SLDC business vide Table 35 of the Petition. Accordingly, the Commission decides to consider the Opening Grant of FY 2024-25 equal to the Closing Grant of FY 2023-24 as per prevailing norms of the previous Orders.

- 2.3.13. 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 thereafter Depreciation & Return on Equity.
- 2.3.14. 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 2024-25 equal to the closing grant considered by the Commission in its previous True up order, after deducting the Opening grant approved for SLDC for FY 2024-25 in the respective section of this 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.

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

Table 13: Approved Grant adjustment and funding pattern for FY 2024-25

(in Rs. Crs)

Sl. No	Funding Pattern	True-up of FY 2023-24 (Approved)	True-up of FY 2024-25 (Approved)
Gross Fixed Asset			
1	Opening GFA	545.41	641.25
2	Addition of GFA	112.13	65.19
3	Deletion of GFA	0.00	0.66
4	Closing GFA	657.53	705.78
5	Average GFA	601.47	673.52
Grant Adjustment			
6	Opening Grant	121.76	219.42
7	Add-cap funded through grant	107.40	64.61
8	Closing Grant	229.16	284.03
9	Average Grant	175.46	251.73
10	Addition of fresh loan for current year add-cap	3.31	-
11	Addition of fresh equity for current year add-cap	1.42	-

- 2.3.16. Accordingly, this Commission considers Rs. 251.73 Crores as the average grant for FY 2024-25 and the Normative loan and equity as zero.

- 2.3.17. 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),
- 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 of Transmission Business

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 14: Return on Equity of Transmission Business Claimed for FY 2024-25
(in Rs. Crs)

Particulars	True up for FY 2023-24 (Approved)	True-Up for FY 2024-25 (Claimed)
Opening GFA	545.41	641.25
Addition during the year	112.13	65.19
Deletion during the year	0.00	0.66
Closing GFA	657.53	705.78
Average GFA	601.47	673.52
Less: Average Grants	175.46	250.39
Net Average Assets Not Funded Through Grants	426.01	423.13
70% Debt component	298.21	296.19
30% Equity	127.80	126.94
Rate of Return on Equity (%)	14%	14%
Return on Equity @ 14%	17.89	17.77

Respondents' submission in this regard

- 2.4.2. BIA has highlighted that MePTCL has claimed a RoE of Rs. 17.77 crore for FY 2024-25. BIA has further argued that such claim cannot be accepted at this stage, as MePTCL has failed to provide any justification for the capitalization claimed during the year and in the absence of any substantiating documents, no equity addition should be considered for True-Up purposes. BIA has further submitted that there exists a discrepancy in the reporting of Grants, which points out a mismatch in the opening grant balance adopted by the Petitioner vis-à-vis the amount approved by the Commission in Case No. 31 & 33 of 2023. This results in an understatement of Grant by ₹11.08 crore, which directly affects the computation of net capital base and consequently the admissible RoE.

- 2.4.3. BIA has prayed to the Commission to kindly direct MePTCL to first furnish a clear explanation regarding the discrepancies in the Grant balances and to provide complete supporting documents for the capitalization claimed for FY 2024-25. Further, BIA added that only upon submission of accurate information and completion of prudence check, the Commission may determine the admissible Return on Equity for the year.

MePTCL's Response to Respondent's submissions

- 2.4.4. The Petitioner has responded that the detailed justifications pertaining to Additional Capitalization, the corresponding funding pattern, and all other related matters have already been furnished under the relevant head of the replies. The Petitioner accordingly requested the Commission to take the same on record and to allow the Return on Equity as claimed by the Petitioner in the Petition.

Commission's Analysis

- 2.4.5. 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>

- 2.4.6. 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>

- 2.4.7. 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 in respective section of this order.
- 2.4.8. The approved normative equity and the corresponding RoE for FY 2024-25 are presented below:

Table 15: Approved Return on Equity of Transmission Business for FY 2024-25

Particulars	Amount
Opening GFA as on 01.04.2024	641.25
Addition to GFA during the Year	65.19
Deletion from GFA during the Year	0.66
Closing GFA as on 31.03.2025	705.78
Average GFA for FY 2024-25	673.52
Average Grants for FY 2024-25	251.73
Net Average Capital Assets for FY 2024-25 (not funded through Grants)	421.79
Debt @70% of Capital Assets	295.25
Equity @30% of Capital Assets	126.54
Rate of Return on Equity	14%
Return on Equity	17.72

- 2.4.9. **The Commission accordingly approves Return on Equity of Rs. 17.72 Crores for Transmission Business for Truing Up of FY 2024-25.**

2.5. Depreciation of Transmission Business

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 closing GFA approved by the Commission in the order dated 22.03.2025 after deducting the opening balance of 2024-25 pertaining to SLDC. The subsequent addition and deletion during the year have been considered as per the audited statement of accounts. The calculation of depreciation is tabulated below:

Table 16: Computation of Depreciation of Transmission Business Claimed for FY 2024-25

(in Rs. Crs)

Asset Description	Opening GFA as per SOA	Less: SLDC Opening Balance	Additions as per SOA	Addition pertaining to SLDC	Deletion as per SOA	Deletion pertaining to SLDC	Closing GFA	Avg. GFA	90% of GFA	% of Depreciation	Amount of Depreciation
Land	12.14	0.00	0.00	0.00	0.00	0.00	12.14	12.14	10.93	0.00%	0.00
Buildings	19.05	0.88	0.00	0.00	0.00	0.00	18.17	18.17	16.35	3.34%	0.55
Plant and Equipment	245.45	0.08	0.33	0.00	0.65	0.00	245.04	245.20	220.68	5.28%	11.65
Furniture and Fixtures	0.98	0.00	0.01	0.00	0.00	0.00	0.98	0.98	0.88	6.33%	0.06
Vehicles	0.22	0.00	0.09	0.00	0.00	0.00	0.31	0.26	0.24	9.50%	0.02
Office Equipment	6.98	6.52	0.16	0.01	0.01	0.01	0.61	0.54	0.48	6.33%	0.03
Hydraulic Works	0.09	0.00	0.00	0.00	0.00	0.00	0.09	0.09	0.08	5.28%	0.00
Other Civil Works	12.96	0.00	0.00	0.00	0.00	0.00	12.96	12.96	11.67	3.34%	0.39
Lines and Cable Works	354.02	3.16	64.61	0.00	0.00	0.00	415.48	383.17	344.85	5.28%	18.21
Intangible Assets	5.65	5.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00
Total	657.53	16.28	65.20	0.01	0.66	0.01	705.78	673.52	606.16		30.91
Rate of Depreciation											5.10%
90% of Average Grants in GFA											225.35
Depreciation on Grants											11.49
Net Depreciation											19.42

2.5.2. The Petitioner has prayed to allow the depreciation of Rs. 19.42 Crore as detailed above for FY 2024-25.

Respondents' submission in this regard

2.5.3. BIA, citing Regulation 33 of MYT Regulation, has pointed out the discrepancies made by the Petitioner in treatment of land value, computation of 90% of GFA, and the approach to depreciation beyond 12 years of asset life. The relevant table from its submission is quoted below:

"Comparison of Methodology to compute depreciation as per Regulations and by MePTCL

Parameters	As per Regulation/ Commission	As per MePTCL
<i>Original Value of assets</i>	<i>Same as methodology adopted in order dated 24.10.2024</i>	<i>As approved by the Hon'ble Commission</i>
<i>90% of GFA and Depreciation Rate</i>	<i>The Hon'ble Commission has not considered the value of Land while calculating rate of depreciation.</i>	<i>MePTCL has considered the 90% of the value of the land and resulting in lower Depreciation</i>
<i>Depreciation after 12 years</i>	<i>Spread over the balance useful life of the assets after 12 years</i>	<i>No such details have been provided by MePTCL.</i>

....."

2.5.4. BIA submitted that MePTCL has failed to provide details regarding the spread of depreciation over the balance useful life of assets beyond 12 years

2.5.5. 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. BIA highlighted that it is necessary that MePTCL provides the accumulated depreciation on the assets considering that the operational life of the assets is already more than 12 years.

2.5.6. BIA submitted that MePTCL is required to provide an asset-wise register, clearly showing year-wise depreciation and cumulative depreciation for each asset, in order to avoid the inconsistencies highlighted above. It is also submitted that MePTCL has not provided any reconciliation of grant balances with the audited accounts

2.5.7. Further, BIA contended that MePTCL has incorrectly computed depreciation rates by considering "Depreciation ÷ 90% of GFA", where 90% of land value has been incorrectly included. The relevant extract of the submission:

"Error in Depreciation Rate for FY 2024-25

Name of the Station	Depreciation	90% of GFA	Land Value	Adjusted 90% GFA	Depreciation Rate
<i>As per MePTCL</i>	<i>30.91</i>	<i>606.16</i>	<i>10.93</i>	<i>606.16</i>	<i>5.10%</i>
<i>As per BIA</i>	<i>30.91</i>	<i>606.16</i>	<i>10.93</i>	<i>595.23</i>	<i>5.19%</i>

....."

- 2.5.8. In view of the above, BIA requested the Commission to kindly direct MePTCL to furnish the following:
- a) Reconciliation of grants.
 - b) Reconciliation of opening grant balances.
 - c) Clarification on capitalization during the year.
 - d) Correct adjustment of grants for computation of depreciation and RoE.

MePTCL’s Response to Respondent’s submissions

- 2.5.9. The Petitioner claimed that the ARR for the Transmission business is not determined on an asset-wise basis by the Commission, rather on the basis of the Corporation as a whole. Hence, the contention of the Objector regarding the need to spread depreciation over the useful life of individual assets does not arise. Further, it is evident from the depreciation computations submitted by the Petitioner that it has already applied a 0% depreciation rate for land, and therefore, the contention raised by the Objector in this regard is not correct
- 2.5.10. With regard to the contention relating to the non-consideration of grants as per the Audited Statement of Accounts, the Petitioner submitted that a detailed justification has already been provided under the relevant section of these replies.
- 2.5.11. As far as the issue pertaining to the adoption of 90% of the total asset base as the depreciable value, the Petitioner explained that this principle has already been incorporated in the depreciation computation, as depreciation has been calculated only on 90% of the average GFA, in accordance with the applicable regulatory provisions.

Commission’s Analysis

- 2.5.12. The Commission sought details of asset de-capitalisation for FY 2024-25. In response the Petitioner submitted the following:

Table 17: Asset de-capitalisation for Transmission Business Claimed for FY 2024-25

Sl. No.	Category of Asset	Description/ Equipment/ Asset	Date of deletion	Amount	Remark
1	Plant & Equipment	132 KV Hybrid Module Double Bus Bar Switch Gear	26.03.2024	65,23,127.00	Due to total damage of an assets.
2	Furniture & Fixture	Electrical Wiring, Light, Fans Installation Payment to Contractors and Other Outside Parties	03.05.2024	38,864.00	Repairing expenses wrongly booked to Assets 3.05.2024.
3	Office Equipment	Digital Photo Copier	01.07.2024	65,514.00	Asset exchanged for a new one.
4	Office Equipment	Purchase of Computers	31.07.2024	7,950.00	Repairing expenses wrongly booked to Assets 30.05.2024.
Total				66,35,455.00	

2.5.13. The Commission considers the Opening Capital Cost in line with the True-Up order for FY 2023-24 dated 22.03.2025 in Case No. 5 of 2024.

2.5.14. 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>

2.5.15. 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

2024-25, after deduction of the concerned amount pertaining to SLDC. This calculation has been undertaken in strict adherence to the aforementioned provisions of the MYT Regulations, 2014.

2.5.16. The depreciation as per Regulations is computed for True up as depicted in the table below:

Table 18: Approved Depreciation of Transmission Business for FY 2024-25

(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	18.17	0.00	0.00	18.17	18.17	16.35	3.34%	0.55
Plant and Equipment	245.36	0.33	0.65	245.04	245.20	220.68	5.28%	11.65
Furniture and Fixtures	0.98	0.01	0.00	0.98	0.98	0.88	6.33%	0.06
Vehicles	0.22	0.09	0.00	0.31	0.26	0.24	9.50%	0.02
Office Equipment	0.47	0.14	0.00	0.61	0.54	0.48	6.33%	0.03
Hydraulic Works	0.09	0.00	0.00	0.09	0.09	0.08	5.28%	0.00
Other Civil Works	12.96	0.00	0.00	12.96	12.96	11.67	3.34%	0.39
Lines and Cable Works	350.86	64.61	0.00	415.48	383.17	344.85	5.28%	18.21
Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	15.00%	0.00
Total	641.25	65.19	0.66	705.78	673.52	595.24		30.91
Rate of Depreciation							5.19%	
Opening Grant for the Year	219.42							
Grants Capitalized during the Year		64.61						
Closing Grant for the Year				284.03				
Average Grants in GFA					251.73			
90% of Grants for the year						226.55		
Less: Depreciation on Grants								11.76
Net Depreciation for the year								19.14

2.5.17. In consideration of the above, this Commission approves Depreciation of Rs. 19.14 Crores for True-up of Transmission Business for FY 2024-25.

2.6. Interest and Finance Charges of Transmission Business

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 19: Computation of Weighted Average Rate of Interest for Transmission Business Claimed for FY 2024-25

(in Rs. Crs)

Particular	REC Killing Byrnihat Loan	State Government Loans
Opening Loan	4.53	42.19
Addition During the Year	0.00	0.00
Repayment Made	4.53	0.00
Closing Loan	0.00	42.19
Average Loan	2.27	42.19
Interest Exp. As Per SOA	0.05	3.67
Less: Penal Interest	0.00	0.00
Net Interest	0.05	3.67
Average Rate of Interest	2.36%	8.71%
WAROI	8.38%	

Table 20: Calculation of Interest on Loan for Transmission Business Claimed for FY 2024-25

(in Rs. Cr)

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening Normative Loan	7.97	0	0
Addition to Loan	3.31	3.71	0.40
Repayment	19.52	3.71	19.42
Closing Normative Loan	-8.24	0.00	-19.018
Average Loan	0.00	0.00	0
Rate of Interest on Loan	10.29%	9.00%	8.38%
Interest on Loan	0.00	0.00	0.00

- 2.6.2. Petitioner has requested the Commission to allow Interest on Loan of Rs. 0 Cr for FY 2024-25.

Commission's Analysis

- 2.6.3. The Petitioner, vide First Additional Information requirement dated 06.01.2026, was directed to submit Actual rate of interest, Interest accrued, and Interest paid applicable for each loan, details of Penal interest, Normative Repayment etc. in a prescribed format which need to be

supported by Auditor’s Certificate and Bank Reconciliation Statement along with Loan agreements or amendments. The Petitioner, in response of this query, has submitted the requisite data duly signed by Auditor as an encloser. Upon review, the Commission has observed the below pointers,

- a. Auditor certificate submitted at the time of filing the petition, reflects an “Interest Accrued during the year” amounting Rs 5.34 lakh from REC Killng – Byrnihat loan and Rs 367.41 lakh from State Government loan. There are no details whether the interest amount had been paid by the Petitioner or not and whether any Penal interest is also included under the head of Interest.
- b. Auditor certificate (signed by the same auditor), submitted in response of the First Additional Information requirement, reflects Interest Accrued and Paid during the year from REC Killng - Byrnihat loan is Rs 6.71 Lakh. There are no Interest details for State Government loan.

The Commission has observed that there are multiple submissions made by the Petitioner, which are inconsistent and that too signed by the same auditor, which further increases discrepancies. Hence, in accordance with Audited Financial Statement in the interest of the consumer in terms of implication on Tariff, the Commission prudently checked the Trial Balance as depicted below:

Table 21: Commission’s observation on Interest on Loan for Transmission Business for FY 2024-25

<i>(in Rupees)</i>	
Parameter	Amount
78.102 (Interest On State Govt. Loan U/s 64)	36741151
78.520 (MTL-TII) (Interest on Loan From REC (MTL - TII))	534342

Accordingly, the Commission considers **Rs 367.41 lakh** “Interest Accrued and Paid during the year” from State Government loan and **Rs 5.34 lakh** “Interest Accrued and Paid during the year” from REC Killng – Byrnihat loan.

- 2.6.4. 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 2024-25.
- 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 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 2024-25 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 2024-25 as depicted in the table below:

Table 22: Approved Computation for Weighted Average Rate of Interest for Transmission Business for FY 2024-25

(in Rs. Crs)

Particulars	REC Killing-Byrnihat Loan	State Govt Loan	Total	Weighted Average of Interest
Opening balance	4.53	42.19	46.72	8.38%
Additions during the year	0.00	0.00	0.00	
Repayment (incl. default)	4.53	0.00	4.53	
Closing balance	0.00	42.19	42.19	
Average Loan	2.27	42.19	44.46	
Interest payable	0.05	3.67	3.73	

Table 23: Approved Interest on Loan of Transmission Business for FY 2024-25

(in Rs. Crs)

Particular	Amount
Net Normative Loan Opening	0.00
Addition in Loan	0.00
Repayment	0.00
Net Normative Loan Closing	0.00
Average loan	0.00
WAROI	8.38%
Interest on Loan	0.00

2.6.7. **The Commission accordingly approves at NIL towards Interest and Finance Charges for FY 2024-25.**

2.6.8. 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;

- i. Actual Loan Profile as per Annexure certified by Auditor,
- ii. Normative Repayment schedule,
- iii. Loan agreements or amendments,
- iv. Bank confirmation certificate for Repayment and
- v. Valid reason of change in Actual Interest Rate (if any).

2.7. Operation and Maintenance Expenses of Transmission Business

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 2024-25. 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 24: Employee Expenses of Transmission Business Claimed for FY 2024-25

(in Rs. Crs)

Particular	Approved 2024-25	Actual 2024-25 (As per SOA)	Less: Actuals for SLDC	Claim 2024-25
Salaries and Wages	38.33	38.87	3.00	35.87
Contribution to PF	1.61	0.27		0.27
Apportionment of Holding Company	13.21	7.62		7.62
Total	53.15	46.77	3.00	43.77
<i>Add: Employee Expenses of MeECL (1/3)</i>	<i>1.67</i>	<i>1.71</i>	<i>0</i>	<i>1.71</i>
Net Employee Expenses	54.82	48.48	3.00	45.48

Table 25: Reconciliation of Employee Expenses of MeECL with SOA Claimed for FY 2024-25

Particular	Amount (Rs Cr)
Total Employee Expenses as per SOA	60.21
Less: Terminal Benefits	32.21
Net Employee Expenses	28.00
Less Allocation to Subsidiaries	
MePGCL	7.62
MePTCL	7.62
MePDCL	7.62
Total Allocation	22.87
Balance	5.13
Allocation to MePTCL	1.71

2.7.3. Petitioner has requested the Commission to allow the employee expenses of Rs. 45.48 Cr for FY 2024-25.

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 26: R&M Expenses of Transmission Business Claimed for FY 2024-25

(in Rs. Cr)

Particular	Approved 2024-25	Actual 2024-25 (As per SOA)	Less: Actuals for SLDC	Claim 2024-25
Buildings		0.16	0.00	0.16
Plant and Equipment		0.35	0.00	0.35
Civil Works		0.20	0.00	0.20
Lines and Cables		8.37	0.05	8.32
Vehicles		0.01	0.00	0.01
Furniture and Fixtures		0.01	0.00	0.01
Office Equipment		0.91	0.88	0.03
Sub-Total (R&M Expenses)	6.38	10.01	0.93	9.08
R&M Expenses of MeECL (1/3)		0.24	0.00	0.24
Total	6.38	10.25	0.01	9.32

2.7.5. Petitioner has requested the Commission to allow the R&M expenses of Rs. 9.32 Cr for FY 2024-25.

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.

Table 27: A&G Expenses of Transmission Business claimed for FY 2024-25

(in Rs. Crs)

Particular	Approved FY 2024-25	Actual FY 2024-25 as per SOA	Actuals for SLDC	Claim for MePTCL 2024-25
Insurance Charges	3.92	0.99	0.00	0.99
Rent, Rates and Taxes		0.00	0.00	0.00
Telegram, Postage, Telegraph and Telex charges		0.08	0.06	0.02
Training, conveyance and vehicle running expenses		1.79	0.14	1.65
Printing and stationery expenses		0.05	0.01	0.04
Auditors' remuneration		0.04		0.04
Books & Periodicals		0.00		0.00
Advertisement charges		0.03		0.03
Technical Fees		0.01	0.00	0.01
Legal and professional charges		0.19	0.01	0.18
Meghalaya State Electricity Regulatory Commission (MSERC)		0.06		0.06
NERPC Fees		0.29		0.29
Bank Charges		0.00	0.00	0.00

Particular	Approved FY 2024- 25	Actual FY 2024-25 as per SOA	Actuals for SLDC	Claim for MePTCL 2024-25
Miscellaneous expenses		0.04	0.00	0.04
Electricity Charges		1.06		1.06
GST Expenses		0.01		0.01
ROC Charges		0.01		0.01
Sub-Total	3.92	4.64	0.23	4.41
A&G Expenses of MeECL (1/3)	0.00	0.87	0.00	0.87
Total A&G Expenses	3.92	5.50	0.23	5.28

2.7.7. The Petitioner has requested the Commission to allow the A&G expenses of Rs. 5.28 Cr for FY 2024-25.

Respondents' submission in this regard

2.7.8. BIA has objected that Employee Expenses and Pension & Gratuity expenses booked in the audited accounts have not been considered in accordance with the methodology adopted by the Hon'ble Commission in its Order dated 22.03.2025. The treatment of such expenses is required to be consistent with previous true-up exercise.

2.7.9. BIA contends that Petitioner's claim for O&M expenses attributable to the Holding Company is unjustified. It claimed that the expenses of MeECL as a holding company cannot be apportioned mechanically unless expressly allowed by the Regulations.

2.7.10. BIA has stated that the O&M expenses should be based on normative in accordance with MYT Regulations, 2014 and further requested that in absence of such normative determination, the O&M claim requires closer scrutiny. Moreover, the audited Statements of Accounts of MeECL (Note 23) and MePTCL (Note 27) indicate that only Rs 7.62 crore has been apportioned to each of the three entities, MePTCL has claimed Rs 9.33 crore (₹7.62 crore + ₹1.71 crore) purportedly.

2.7.11. BIA pointed out that a reconciliation difference of ₹0.02 crore exists between the amount claimed by MePTCL in the ARR and the amount reported in the audited accounts.

2.7.12. BIA objected by stating that there is an upward variation of O&M expenses (7.83%) compared to what was approved in previous True Up order for FY 2023-24, for which no reasoning, justification or reconciliation has been put forward by the Petitioner.

2.7.13. BIA has requested that MePTCL must clarify that no penalty, interest on delayed payments, or other non-allowable charges have been booked under A&G expenses, as such expenses cannot be passed through to consumers.

MePTCL's Response to Respondent's submissions

- 2.7.14. The Petitioner has claimed that due care has been taken to exclude any claim towards terminal benefits in the Employee Expenses presented in the Petition. This is evident from the fact that while the Employee Expenses as per the Audited Statement of Accounts amount to Rs. 145.19 Crore, whereas the claim submitted in the Petition is only Rs. 45.48 Crore. This clearly demonstrates that the terminal benefit portion reflected in the Statement of Accounts has been fully excluded from the ARR claim.
- 2.7.15. In context to the employee expenses of MeECL, the Petitioner confirmed that a detailed reconciliation of employee expenses and corresponding claims has been furnished in Table 11 of the Petition. Further, due care has been taken to ensure that no element of terminal benefits reflected in the Statement of Accounts of MeECL has been included in the claims. This approach is in line with the settled methodology consistently adopted by the Commission in past True-Up Orders. The rationale for the claim is that certain departments function commonly for all three corporations, and the employee expenses of such common departments, whose staff work for generation, transmission, and distribution functions are not captured within the standalone accounts of the individual corporations.
- 2.7.16. With regard to the Objector's claim concerning R&M and A&G expenses, the Petitioner highlighted that there is no mismatch between the amounts claimed in the Petition and those appearing in the Audited Statement of Accounts. The total A&G and R&M expenditure as per the Statement of Accounts is Rs. 146,499,984, which corresponds to Rs. 14.65 Crore, and not Rs. 14.67 Crore as erroneously stated by the Objector in its submissions.
- 2.7.17. With respect to the contention of the Objector that the R&M and A&G expenses have increased over FY 2023-24, the Petitioner affirmed that, as evident from the very table presented by the Objector, the increase is only Rs. 1.04 Crore, which is marginal in nature and well within normal variation.

Commission's Analysis

- 2.7.18. The Petitioner, vide First Additional Information Requirement dated 06.01.2026, was directed to submit the actual O&M expense segregated into Lines, Bays and Transformation in MVA for last three financial years starting from FY 2022-23.

In response, the Petitioner submitted that accounting of O&M expenses has been done till date on consolidated basis and there is no bifurcation of O&M expenses in terms of bays, line length and transformation capacity hence actual data of bifurcation of O&M expenses is not available.

- 2.7.19. 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

- 2.7.20. The Commission has considered the Employee Benefit Expenses for the Petitioner including the Apportionment of Employee Benefit Expenses (from Holding Company) amounting Rs 7.62 Cr as per note no. 27 of Statement of Accounts (SoA) of the Petitioner and shortfall of 1/3rd of share of Employee Benefit expenses of holding company amounting Rs 1.64 Cr reconciled from Note 23 of Audited statements of Holding company. However, the Commission allows this shortfall of Rs 1.64 Cr as one-time exception.

The Commission hereby directs the Petitioner to ensure that the apportionment of expenses pertaining to Meghalaya Energy Corporation Limited is appropriately and transparently booked under the respective utilities in their Audited Financial Statements itself.

- 2.7.21. 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.
- 2.7.22. The Commission considers the Employee expenses are admissible as claimed by the petitioner for True up of FY 2024-25 except “Contribution to Provident Fund” of Rs 0.09 Cr after deducting an amount of Rs 0.18 Cr booked as

“Contribution to provident and other funds” pertaining to SLDC business vide Note 17 of Audited accounts of SLDC, as depicted in the table below:

Table 28: Approved Reconciliation of Employee Expenses of MeECL for FY 2024-25
(in Rs Crs)

Particular	Amount
Total Employee Expenses as per SOA	60.21
Less: Terminal Benefits	32.42
Net Employee Expenses	27.80
Less Allocation to Subsidiaries	
MePGCL	7.62
MePTCL	7.62
MePDCL	7.62
Total Allocation	22.87
Balance	4.92
Allocation to MePTCL	1.64

Table 29: Approved Employee Expenses of Transmission Business for FY 2024-25
(in Rs. Crs)

Particulars	Amount (Approved)
Salaries and Wages	35.88
Gratuity Expenses	0.00
Leave Encashment Expenses	0.00
Pension Expenses	0.00
Contribution to Provident Fund	0.09
Apportionment of Employee Expenses of Holding Company	9.26*
Total Employee Expenses including MeECL	45.23

*The Commission considers the summation of (Rs. 7.62 Cr + Rs. 1.64 Cr)

b. Renovation & Modernization (R&M) Expenses

2.7.23. The Commission considers that the R&M expenses are admissible as claimed by the petitioner for True up of FY 2024-25 as depicted in the table below:

Table 30: Approved R&M Expenses of Transmission Business for FY 2024-25
(in Rs. Crs)

Particulars	Amount (Approved)
R&M Expenses Buildings	0.16
R&M Expenses Plant and Machinery	0.35
R&M Civil Works	0.20
R&M Lines and Cables	8.32
R&M Vehicles	0.01
R&M Furniture's and Fixtures	0.01

Particulars	Amount (Approved)
R&M Office Equipment	0.03
Sub-Total of R&M Expenses	9.08
1/3 of R&M Expenses of MeECL	0.24
Total R&M Expenses	9.32

c. Administrative & General (A&G) Expenses

2.7.24. The Commission considers that the A&G expenses are admissible as claimed by the petitioner for True up of FY 2024-25 as depicted in the table below:

Table 31: Approved A&G Expenses of Transmission Business for FY 2024-25

(in Rs. Crs)

Particular	Amount (Approved)
Insurance Charges	0.99
Rent, Rates and Taxes	0.00
Telegram, Postage, Telegraph and Telex charges	0.02
Training, conveyance and vehicle running expenses	1.65
Printing and stationery expenses	0.04
Auditors' remuneration	0.04
Books & Periodicals	0.00
Advertisement charges	0.03
Technical Fees	0.01
Legal and professional charges	0.18
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	0.06
CERC Fees	0.00
NERPC Fees	0.29
Bank Charges	0.00
Miscellaneous expenses	0.04
Electricity Charges	1.06
GST Expenses	0.01
ROC Charges	0.01
Sub-Total of A&G Expenses	4.41
1/3rd of A&G Expenses of MeECL	0.87
Grand Total A&G Expenses	5.28

2.7.25. 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 32: Total Approved O&M Expenses of Transmission Business for FY 2024-25

(in Rs. Crs)

Particulars	Total
Employee cost	45.23

Particulars	Total
R&M Expenses	9.32
A&G expenses	5.28
Total O&M expenses	59.83

2.7.26. **This Commission approves Rs. 59.83 Crores towards O&M Expenses for True Up of FY 2024-25.**

2.7.27. 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 to the above, directs the Petitioner to maintain a Normative accounting approach henceforth.

2.8. Interest on Working Capital of Transmission Business

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 01.04.2024 has been considered for the purpose of computation of the interest on working capital.

Table 33: Claimed Computation of Interest on Working Capital of Transmission Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount

Particulars	Amount
Operation and Maintenance Exp for 2 Months	5.01
1% Maintenance spares on opening GFA escalated at 6%	6.80
Receivables for 2 months of ATC (Net ARR/12*2)	16.31
Total Working Capital Requirement	28.11
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	4.22

- 2.8.3. The Petitioner has requested the Commission to allow the interest on working capital as Rs. 4.22 Cr. for the FY 2024-25.

Commission's Analysis

- 2.8.4. 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>

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

Table 34: Approved Interest on Working Capital of Transmission Business for FY 2024-25

Particulars	Amount
Operation and Maintenance Exp for one month	4.99
Maintenance Spares (1% historical cost escalated at 6%)	6.80
Receivables for 2 months of ATC [(Net ARR/12) *2]	10.61

Particulars	Amount
Total Working Capital Requirement	22.39
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	3.36

2.8.6. **The Commission approves Interest on Working Capital at Rs. 3.36 Crore for True up of FY 2024-25.**

2.9. Non-Tariff Income of Transmission Business

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 considered by the Commission in previous True Up Orders. The details of the Non-Tariff Income for FY 2024-25 is tabulated below:

Table 35: Details of Non-Tariff Income of Transmission Business claimed for FY 2024-25

(in Rs. Crs)

Particular	Approved 2024-25	Actual As per SOA 2024-25	Actual for SLDC 2024-25	Net Other Income 2024-25
Interest Income		2.25		2.25
Scrap Sale		0.20		0.20
AMC Charges		1.06		1.06
Rental and Hiring Income		0.18		0.18
Discount Received				0.00
Fees and Penalties		0.15		0.15
Sale of Tender		0.05		0.05
Misc. Receipt		0.35	0.00	0.35
Insurance Claim received		2.30		2.30
Total	7.35	6.53	0.00	6.53

2.9.2. The Petitioner further submitted the Reconciliation of the Non-Tariff Income with Audited SOA is provided in the table below

Table 36: Reconciliation of Non-Tariff Income of Transmission Business claimed for FY 2024-25

Particular	Amount
Other Income as per SOA	23.05
Less: Amortization of Grants	9.30
Less: Reversal of Provisions (Not Claimed in Tariff Earlier as Expense)	7.22
Less: Non-Tariff Income of SLDC	0.00
Non-Tariff Income Claimed for MePTCL	6.53

- 2.9.3. The Petitioner has requested the Commission to allow the Non-Tariff Income as Rs. 6.53 Cr for FY 2024-25.

Respondents' submission in this regard

- 2.9.4. BIA had raised an objection stating that MePTCL has failed to account for its 1/3rd share of MeECL's Non-Tariff Income, which, as per the audited accounts of MeECL (Rs. 22.48 crore), amounts to Rs. 7.49 crore. The Respondent emphasises that the Hon'ble Commission, in earlier tariff orders, has consistently adopted this allocation methodology, and therefore the omission materially affects the NTI computation for FY 2024-25.
- 2.9.5. BIA has pointed out the exclusion of Rs 7.22 crore towards "Provisions Written Back" in the Petitioner's submission under Non-Tariff Income. BIA argued that if such provisions pertain to expenses previously admitted in the ARR, the corresponding write-back must necessarily be treated as Non-Tariff Income.
- 2.9.6. In light of the above, BIA requested the Commission that MePTCL to be directed to provide the details of the nature of the Provisions written back and reason for non-inclusion of the same.

MePTCL's Response to Respondent's submissions

- 2.9.7. The Petitioner has submitted that in respect to contentions on consideration of 1/3rd of the Other Income of MeECL, the Petitioner submitted that the simple analysis of income of the MeECL can confirm that none of the income is of the nature that it is common to all the three corporations unlike the expenditures. Accordingly, the Other Income of MeECL cannot be apportioned to the Transmission, Generation, or Distribution businesses.
- 2.9.8. Further, with regard to the exclusion of reversal of provisions, the Petitioner stated that the provisions written back, as reflected in the Audited Statement of Accounts under Note 26, pertain to the provisions created in FY 2016-17 on account of the Revision of Pay. These provisions were disclosed under Current Liabilities, with corresponding details provided under Note 12 and Note 24.4 of the Audited Statement of Accounts for FY 2016-17. The provision created at that time amounted to Rs. 1,585.80 Lakhs, and the reversal pertains to the difference between the provision made and the actual expenditure incurred towards the Revision of Pay.

Since this provision was recorded under the head "Current Liabilities", the said amount was never claimed in the ARR or during the True-Up of FY 2016-17. Hence, its reversal at present cannot be treated as an income item for ARR purposes.

Commission's Analysis

- 2.9.9. The Commission has observed that an amount of Rs. 7.22 Crore has been booked under "Provision Written Back" in Note 26 (Other Income) of the Audited Financial Statements. However, the said amount has not been considered under Non-Tariff Income vide Table 15 of the Petition, resulting in a discrepancy between the audited accounts and the figures claimed for ARR purposes. Accordingly, the Petitioner, vide Second additional information Requirement dated 16.02.2026, was directed to (a) provide a detailed justification for this inconsistency, and (b) furnish a complete breakup of the amount booked under "Provision Written Back", supported by relevant ledger extracts and documentation.

In response to the query, the Petitioner has submitted that the provisions written back as shown in the audited statement of accounts under Note 26 pertains to the provisions made in FY 2016-17 for the impact of Revision of Pay. In the Audited Statement of Accounts for 2016-17, the provisions were shown under the current liability and the details of the same were provided under Note 12 and Note 24.4 of Audited Statement of Accounts. The amount of provision made at that time was Rs. 1585.80 Lakhs. The reversal pertains to the differential amount of the provision made and actual expenditure incurred towards Revision of Pay.

Since, this provision was shown under the head "Current Liabilities" this item was never claimed in the ARR or Truing Up of FY 2016-17.

Accordingly, the Commission checked the Audited Financial Statement of FY 2016-17 and observed that the provision made during that year was a separate entry under Note 24.4 and it was not included in the Employee expense of the year. Moreover, the Commission has approved the Employee expense only as per actual total employee expense vide Note 18 of the Audited accounts of the concerned year. Hence, the Commission considers that the Provision written Back/Reversal of Provisions of Rs 7.22 Cr cannot be considered under Non-Tariff income.

- 2.9.10. 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 2024-25. Hence, the stated charges for the purpose of truing up are considered under the Non-Tariff Income from Transmission business for FY 2024-25.
- 2.9.11. Accordingly, the Commission after due reconciliation of the audited annual accounts for FY 2024-25 submitted by the Petitioner approves the Non-tariff Income for FY 2024-25.

Table 37: Approved Non-Tariff and Other Income of Transmission Business for True up of FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount
A: Non-Tariff Income	
Interest Income (From Banks)	2.25
Scrap Sale	0.20
AMC Charges	1.06
Rental and hiring Income	0.18
Discount Received	0.00
Fees and Penalties	0.15
Sale of Tender forms	0.05
Miscellaneous receipts	0.35
Amortization of Grant	0.00
Insurance Claim received	2.30
Provision written Back/Reversal of Provisions	0.00
Sub-Total (A)	6.53
B: Other Operating Revenue	
STU and Open Access Charges	25.27
SLDC Charges from MePGCL	0.00
SLDC Charges	0.00
Sub-Total (B)	25.27
Total Other Income (MePTCL) (A+B)	31.81
1/3rd MeECL	7.49
Grand Total	39.30

2.9.12. **The Commission approves Non-Tariff / Other income at Rs. 39.30 Crore for True up of FY 2024-25.**

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.
- 2.10.2. As per Additional Submission dated 27.02.2026, the Petitioner has further referred to the Commission's Tariff Order dated 24.10.2025, wherein the Petitioner was allowed to recover/ pass on the gap in 9 equal instalments on account of differential tariff. The Petitioner further submitted that since a portion of these instalments was billed to MePDCL during FY 2024-25 and remaining during FY 2025-26; the Petitioner stated that adhering to the instalment-based billing chronology may lead to ambiguity at the time of True-Up for FY 2025-26. Accordingly, the Petitioner has humbly requested to

consider the entire revenue including the nine (9) instalments billed during FY 2025-26, as “Revenue from Operations” for FY 2024-25 itself.

Table 38: Details of Revenue from Transmission Business claimed for FY 2024-25

(in Rs. Crs)

Particular	Actual 2024-25	Actual SLDC 2024-25	Claim for MePTCL 2024-25
Transmission of Power to MePDCL	135.36		144.73
SLDC Charges from MePGCL	3.09	3.09	0.00
SLDC Charges from MePTCL	2.90	2.90	0.00
STU and OA Charges	25.41	0.13	25.27
SLDC Charges	1.37	1.37	0.00
Total	168.13	7.50	170.00

2.10.3. The Petitioner requested the Commission to approve the revenue for FY 2024-25 as Rs. 170.00 Cr.

Commission’s Analysis

2.10.4. The Commission has observed that the Petitioner has reported Revenue from operations at Rs. 170.00 Crore.

2.10.5. It is also observed by the Commission that “SLDC charges” needs to be considered as ‘Revenue from Operation of SLDC’. On the contrary, “Open Access and STU charges” is such component which needs to be considered in the Other Income vide Non-tariff Income of Transmission Business of this Order. Accordingly, the Commission has computed the revenue from operations from Transmission business for FY 2024-25.

2.10.6. Further, the Commission, after detailed examination and deliberation, allows the recognition of **additional income of Rs. 9.37 Crore** on account of recovery of differential tariff through **nine (9) instalments**, pertaining to FY 2024-25.

The Commission further directs the Petitioner to **submit a reconciliation statement, duly certified by the Statutory Auditor**, confirming that actual receipt of the amount corresponding to the quoted 9 instalments. However, considering that the complete recovery of the 9 instalment amount is considered in FY2024-25 on accrual basis, so any collection of the instalment amount against the said factor in FY 2025-26 in cash basis shall not be considered as part of revenue realization for FY 2025-26 and hence shall also not be considered while Truing up of FY2025-26.

**Table 39: Approved Revenue from Operations from Transmission Business for FY 2024-25
(in Rs. Crs)**

Particulars	Amount
Revenue from Operations of MePTCL (Note no.25 of audited annual accounts)	135.36
Income from 9 instalments	9.37
Total Revenue from Operations	144.73

2.10.7. **This Commission approves Revenue from Operations at Rs. 144.73 Crore for True up of FY 2024-25.**

2.11. SLDC Charges and SLDC ARR

Petitioner's Submission

2.11.1. The Petitioner has claimed SLDC ARR of Rs. 2.90 Crores vide Table 17 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, the Commission prudently checked the Audited Financial Accounts of SLDC for the fiscal year 2024-25 and identified Rs 2.90 Cr has been booked under the head of SLDC Charges from MePTCL.

2.11.3. **The Commission hereby considers Rs. 2.90 Crores towards SLDC charges for FY 2024-25.**

2.12. Accrued Terminal Liabilities

Petitioner's Submission

2.12.1. Petitioner has claimed Rs 36.05 Cr (Rs 35.42 Cr +Rs 0.63 Cr) as Instalment of Accrued Liability of Pension for FY2024-25.

Commission's Analysis

2.12.2. The Commission vide its order dated 24.10.2024, while deciding the ARR for MYT control Period FY 2024-25 To FY 2026-27 & Transmission Tariff For 2024-25 for MePTCL, has already determined the terminal benefits to be recovered by the MePTCL, based on the actuarial valuation report & the auditor certificate, and the total amount is INR 36.05 Cr, the breakup of which is provided hereunder:

Contribution by MePTCL	Rs. 35.42 Cr.
Contribution on account of MeECL	Rs. 0.63 Cr.

- 2.12.3. As per the above quoted order of the Commission, the total outstanding liability of Govt. of Meghalaya, towards past terminal liabilities as on 01.04.2024 was INR 1937.88 Cr. As per Audit Report submitted by MeECL, it is observed that Govt. of Meghalaya has contributed INR 52.34 Cr. towards the past terminal liabilities in FY 2024-25.
- 2.12.4. Considering the contribution from Govt. of Meghalaya for FY 2024-25 and the carrying cost of 7.35% towards outstanding amount for the past period terminal liabilities, the total outstanding payable by Govt. of Meghalaya as on 01.04.2025 stands at Rs. 2026.06 Cr.
- 2.12.5. **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 2024-25. Additionally, the Petitioner is directed to pursue the Govt. of Meghalaya for an early liquidation of its pending dues amounting to Rs. 2026.06 Crore as on 01.04.2025 towards pension trust.**
- 2.12.6. 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 of Transmission Business for FY 2024-25

Petitioner's Submission

- 2.13.1. Based on the computation of various components of ARR as detailed out in previous paragraphs the ARR for 2024-25 is estimated as under:

Table 40: Aggregate Revenue Requirement of Transmission Business claimed for FY 2024-25

<i>(in Rs. Crs)</i>		
Particulars	Approved by Commission for FY 2024-25	Actual for True Up FY 2024-25 (Claimed)
Return On Equity	18.01	17.67
Depreciation	19.59	19.31
Interest on Loan	0.00	0.00
Interest on Working Capital	4.20	4.21
Operation and Maintenance Expenses	65.13	60.08
SLDC Charges	3.46	2.90
Total ARR	110.39	104.17
Less: Non-Tariff Income	7.35	6.53
Less: SLDC Gap	6.92	
Net ARR	96.12	97.64
Add Revenue Gap for Review of 2020-21	0.00	0.00
Add Revenue Gap for Review of 2021-22	8.32	8.32
Add Revenue Gap for 2022-23	4.25	4.25

Particulars	Approved by Commission for FY 2024-25	Actual for True Up FY 2024-25 (Claimed)
Total ARR	108.69	110.21
Add: Comprehensive Expense (MePTCL)	35.42	35.42
Add: Comprehensive Expense (MeECL)	0.63	0.63
Total ARR Recoverable (Including Pension Liability)	144.74	146.26

2.13.2. The Petitioner requested the Commission to approve the ARR of Rs. 146.26 Cr for FY 2024-25.

Commission's Analysis

2.13.3. True up petition filed by the Petitioner has been scrutinized considering the Additional information/data, Additional submissions, Audited accounts, the objections raised by the stakeholders, the response of the MePTCL for the objections, the minutes of the public hearing process and views of the State Advisory Committee; with reference to the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014.

2.13.4. Moreover, the past True-up year Gap/(Surplus) adjustments as had been considered by the Commission in the Review True-Up Order of FY 2021-22 and True-Up Order of FY 2022-23 have been taken into consideration in the present year True-Up exercise of FY 2024-25.

2.13.5. Accordingly, the Commission approves the Annual Revenue Requirement (ARR) for True up of Transmission business for FY 2024-25 as depicted in the table below:

Table 41: Approved Aggregate Revenue Requirement of Transmission Business for True up of FY 2024-25

(in Rs. Crs)

Sl. No.	Particulars	True-Up for FY 2024-25 (Claimed)	True-Up for FY 2024-25 (Approved)
1	Return On Equity	17.67	17.72
2	Depreciation	19.31	19.14
3	Interest on Loan	0.00	0.00
4	Interest on Working Capital	4.21	3.36
5	Operation and Maintenance Expenses	60.08	59.83
6	SLDC Charges	2.90	2.90
7	Gross Annual Revenue Requirement (ARR)	104.17	102.95
8	Less: Non-Tariff Income	6.53	39.30
10	Net Annual Revenue Requirement (ARR)	97.64	63.65
11	Add: Revenue Gap for Review of FY 2021-22 True Up	8.32	8.32

Sl. No.	Particulars	True-Up for FY 2024-25 (Claimed)	True-Up for FY 2024-25 (Approved)
12	Add: Revenue Gap for FY 2022-23 True Up	4.25	4.25
13	Total Recoverable ARR (excluding Pension Liability)	110.21	76.22
14	Comprehensive (Income)/ Expenses (Pension)	35.42	35.42
15	Comprehensive (Income)/ Expenses (1/3 MeECL) (Pension)	0.63	0.63
16	Total Recoverable ARR (including Pension Liability)	146.26	112.27

2.13.6. Based on the above, the Commission approves ARR at Rs. 112.27 Crores for True up of FY 2024-25.

2.14. Revenue Gap/Surplus of Transmission Business

Petitioner's Submission

2.14.1. Based on the ARR and Revenue presented above the Revenue Gap for FY 2024-25 is presented below,

Table 42: Revenue Gap Claimed of Transmission Business for FY 2024-25

(in Rs. Crs)

Particulars	Amount
Aggregate Revenue Requirement	110.21
Revenue from Sale of Power	170.00
Stand Alone Gap for FY 2024-25	-59.79
Recovery of Accrued Terminal Liability	36.05
Total Gap/ Surplus	-23.74

2.14.2. The Petitioner requested the Commission to approve the total surplus of Rs. 23.Crores for FY 2024-25.

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 43: Approved Revenue Gap of Transmission Business for FY 2024-25

(in Rs. Crs)

Sl. No.	Particulars	FY 2024-25
1	Approved recoverable ARR (including Pension Liabilities)	112.27
2	Revenue from Operations	144.73
3	Revenue Gap/(Surplus)	-32.46

- 2.14.4. Accordingly, the Commission approves Revenue Surplus at Rs. 32.46 Crores in True up of FY 2024-25. The Revenue Gap shall be appropriated in the next Tariff Order.**

3. Summary of Order for Transmission Business.

The summary of True up Order for Transmission Business for MePTCL for FY 2024-25 as approved by the Commission, is represented in the table below:

Table 44: Summary of Approved ARR figures of Transmission Business for True-Up of FY 2024-25

(in Rs. Crs)

Sl. No.	Particulars	True-Up for FY 2024-25 (Claimed)	True-Up for FY 2024-25 (Approved)
1	Return On Equity	17.67	17.72
2	Depreciation	19.31	19.14
3	Interest on Loan	0.00	0.00
4	Interest on Working Capital	4.21	3.36
5	Operation and Maintenance Expenses	60.08	59.83
6	SLDC Charges	2.90	2.90
7	Gross Annual Revenue Requirement (ARR)	104.17	102.95
8	Less: Non-Tariff Income	6.53	39.30
10	Net Annual Revenue Requirement (ARR)	97.64	63.65
11	Add: Revenue Gap for Review of FY 2021-22 True Up	8.32	8.32
12	Add: Revenue Gap for FY 2022-23 True Up	4.25	4.25
13	Total ARR recoverable for FY 2024-25 (excluding Pension Liability)	110.21	76.22
14	Comprehensive (Income)/ Expenses (Pension)	35.42	35.42
15	Comprehensive (Income)/ Expenses (1/3 MeECL) (Pension)	0.63	0.63
16	Total Recoverable ARR (including Pension Liability)	146.26	112.27
17	Revenue from Operations	170.00	144.73
19	Revenue Gap/(Surplus)	-23.74	-32.46

4. True Up of SLDC Business for FY 2024-25 for MePTCL

4.1. Gross Fixed Assets of SLDC Business

Petitioner's Submission

4.1.1. The Petitioner has made its submissions considering the SLDC accounts audited by Independent Auditors for Truing Up of Exercise of SLDC Business for FY 2024-25. The Gross Fixed Assets as claimed by the Petitioner for the concerned period is represented in the table below:

Table 45: Gross Fixed Assets of SLDC business Claimed for FY 2024-25

(in Rs. Crs)

Particulars	Approved in Tariff Order (FY 2024-25)	Actual FY 2024-25
Opening Gross Fixed Assets	16.30	16.28
Addition to Gross Fixed Assets during the year	1.62	0.01
Deletion to Gross Fixed Assets during the year	0.00	0.01
Closing Gross Fixed Assets	17.92	16.29
Average Gross Fixed Assets	17.11	16.29

4.1.2. The Petitioner further highlighted a minor difference of Rs.0.02 Cr in the opening balance of FY 2024-25 allowed by the Commission in the Tariff Order and as considered for the purpose of true up. The reason behind the same is that the ARR of FY 2024-25 was allowed by the Commission on the basis of provisional capitalization of FY 2023-24. However, in the instant Petition the GFA has been considered on the basis of actual capitalization of FY 2023-24.

4.1.3. The Petitioner additionally has submitted an Auditor Certificate showing the Additional Capitalization of SLDC Business, as depicted below:

Table 46: Auditor certificate of Gross Fixed Assets of SLDC business Claimed for FY 2024-25

Sl. No.	Particulars	Additional Capitalization	Funded through Grants	Funded through Equity	Funded through Debt
1	Office Equipment	1,44,403.00		1,44,403.00	
2	Total	1,44,403.00		1,44,403.00	

Commission's Analysis

4.1.4. The Commission noticed that the Petitioner has submitted the Opening Gross Fixed Asset in line with the Audited Financial Accounts for FY 2024-25.

4.1.5. The Commission further noticed that although the Petitioner has submitted separate True-Up and Revised Tariff claims for its Transmission and SLDC businesses, the ARR computations have been derived by deducting

SLDC-related amounts from the consolidated financial statements of the Transmission and SLDC business and thereafter claiming only the residual figures. The Commission noted that Transmission and SLDC business constitute distinct regulated activities, and therefore their financial statements are required to be separately prepared, independently presented, and duly audited, without any intermixing or overlap of accounts. Accordingly, the Petitioner, vide Second Additional Data Requirement dated 16.02.2026 was directed to submit separately prepared and independently audited Financial Statements for its Transmission business exclusively,

The Petitioner, in response submitted that although the functional responsibilities of MePTCL and the SLDC have been segregated, and the respective components of the ARR have been separately presented to comply with the regulatory framework, the Meghalaya SLDC is not a separate legal entity. The SLDC is not incorporated under the Companies Act and functions as a Strategic Business Unit (SBU) of MePTCL. Consequently, preparation of standalone financial statements for SLDC, audited independently by the Statutory Auditor, is not feasible.

However, for the specific purpose of tariff determination and to ensure regulatory transparency, MePTCL has adopted Segmental Reporting within its audited Statement of Accounts. The relevant segmental disclosures pertaining to SLDC operations have been provided under Disclosure 40 of the audited financial statements.

- 4.1.6. Based on the prudent analysis of all the 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 and the Auditor Certificate.
- 4.1.7. The Asset wise breakup for Approved Gross Fixed Assets for the True up order of FY 2024-25 is given below:

Table 47: Approved Gross Fixed Assets of SLDC business for FY 2024-25

(in Rs. Crs)

Particular	As at 1st April, 2024	Additions during the year	Disposals and/ or Deductions during the year	As at 31st March, 2025
Land	-	-	-	-
Buildings	0.88	-	-	0.88
Plant and Equipment	0.08	-	-	0.08
Furniture and Fixtures	-	-	-	-
Vehicles	-	-	-	-
Office equipment	6.52	0.01	0.01	6.52
Others	-	-	-	-
Hydraulic Works	-	-	-	-
Other Civil Works	-	-	-	-

(in Rs. Crs)

Particular	As at 1st April, 2024	Additions during the year	Disposals and/ or Deductions during the year	As at 31 st March, 2025
Lines and Cable Network	3.16	-	-	3.16
Intangible Assets	5.65	-	-	5.65
Total	16.28	0.01	0.01	16.29

4.1.8. **Accordingly, this Commission approves Rs 16.28 Crores as Opening GFA and Rs. 16.29 Crores as the Closing GFA for FY 2024-25.**

4.1.9. 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. The Commission hereby also directs that, the petitioner to prioritize execution of works in line with Business Plan approved.

4.1.10. 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.

4.1.11. The Commission also directs the Petitioner to conduct the Third-Party Physical Verification of its assets for preparation of a consolidated digitalized Fixed Asset Register (FAR) duly reconciled by Third-Party Auditor at the earliest prior to submission of the Next True-Up Petition and submit the report of the same with the Commission for its consideration.

4.2. Grant Adjustment and Funding Pattern for SLDC Business

Petitioner's Submission

4.2.1. The Petitioner has considered the movement of the grants and GFA in line with methodology adopted by the Commission in Order Dated 24.10.2024 for Approval of Multi Year ARR of SLDC Business for FY 2024-25 to FY 2026-27.

4.2.2. The Petitioner submitted its revised calculation of Capital Structuring vide dated 13.03.2026 and claimed the Total Grants in SLDC as Rs. 9.75 Cr. out of which Rs. 1.01 Cr. was received in FY 2024-25. Accordingly, the Petitioner considered the Opening Grants for SLDC at Rs. 9.75 Crore.

Table 48: Claimed Changes in the Opening grant in SLDC Business for FY 2024-25

Particular	Original Claim (Rs. Cr.)	Revised claim (Rs. Cr.)
Opening Grants for FY 2024-25	0.00	9.75
Addition during the year funded through grants	0.00	0.00
Closing Grants for FY 2024-25	0.00	9.75
Average Grants	0.00	9.75

4.2.3. The movement of grants for FY 2024-25 as submitted by the Petitioner, in its revised submission on 13.03.2026, is provided in the table below:

Table 49: Capital Structuring of SLDC business Claimed for 2024-25
(in Rs. Crs)

Sl. No	Funding Pattern	Approved in Tariff Order FY 2024-25 (Approved)	Actual of FY 2024-25 (Claimed)
Gross Fixed Asset			
1	Opening GFA	16.30	16.28
2	Addition of GFA	1.62	0.01
3	Deletion of GFA	0.00	0.01
4	Closing GFA	17.92	16.29
5	Average GFA	17.11	16.29
Grant Adjustment			
6	Opening Grant	0.00	9.75
7	Add-cap funded through grant	0.00	0.00
8	Closing Grant	0.00	9.75
9	Average Grant	0.00	9.75
10	Addition of fresh loan for current year add-cap	1.13	0.01
11	Addition of fresh equity for current year add-cap	0.49	0.00

Commission's Analysis

4.2.4. The Commission, in this regard, prudently checked the submissions and has noticed that the Petitioner has submitted an additional information in response of the Commission's query in the Technical Validation Session, wherein it submitted the Auditor Certified funding pattern of Closing GFA of FY 2024-25, as summarised below:

Table 50: Auditor certified Funding Pattern of SLDC business Claimed for FY 2024-25as on 31.03.2025

Total Assets (in Rs)	Asset funded through Grant (in Rs)	Asset funded through Loan (in Rs)	Asset funded through Equity (in Rs)
16,29,12,697.02	97,504,271.00	0	65,408,426.02

4.2.5. Accordingly, the Commission decides to consider the Closing Grant of FY 2024-25 equal to the Petitioner's claim amounting Rs 9.75 Cr, as mentioned above.

4.2.6. The Commission is of the view that since the "addition to the grant" i.e. "additional capitalization funded through grant during the year" of FY 2024-25 cannot be more than the "Net Assets put to use during the year" amounting Rs 0.01 Cr. Hence, according to this principle, the Addition to Grant during the year is restricted to Rs 0.01 Cr. Accordingly, the Opening Grant of FY 2024-25 is considered as Rs 9.74 Cr.

4.2.7. 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 2024-25 equal to the 9.74 Cr.

Step-2: Additional Grant Capitalization:

The current year addition of grant through additional capitalization, has been considered to be equivalent to the capping up to 'Addition to GFA' for the respective business as has been approved by Commission in this True up order in the respective section, 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 considered equal to the Petitioner's claim as submitted through the Auditor Certificate.

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.

4.2.8. Considering the above principle, the grant funding considered by the Commission for SLDC Business is tabulated below:

**Table 51: Approved Grant adjustment and funding pattern for FY 2024-25
(in Rs. Crs)**

Sl. No	Funding Pattern	True-up of FY 2024-25 (Claimed)	True-up of FY 2024-25 (Approved)
Gross Fixed Asset			
1	Opening GFA	16.28	16.28
2	Addition of GFA	0.01	0.01
3	Deletion of GFA	0.01	0.01
4	Closing GFA	16.29	16.29
5	Average GFA	16.29	16.29
Grant Adjustment			
6	Opening Grant	0.00	9.74
7	Add-cap funded through grant	0.00	0.01
8	Closing Grant	0.00	9.75
9	Average Grant	0.00	9.75
10	Addition of fresh loan for current year add-cap	0.01	0.00
11	Addition of fresh equity for current year add-cap	0.00	0.00

4.2.9. **Accordingly, this Commission considers Rs. 9.75 Crores as the average grant for FY 2024-25 and the Normative loan at zero and Normative equity as zero for the SLDC Business.**

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

- Sharing of detailed Scheme wise amount of Grant funding (including both Government Grant and Consumer Contribution in a separate column) received, and
- 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.

4.3. Return on Equity of SLDC Business

Petitioner's Submission

4.3.1. 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 as per its revised submission on 13.03.2026:

Table 52: Return on Equity of SLDC Business Claimed for FY 2024-25
(in Rs. Crs)

Particulars	Approved in Tariff Order FY 2024-25 (Approved)	Actual of FY 2024-25 (Claimed)
Opening GFA	16.30	16.28
Addition during the year	1.62	0.01
Deletion during the year	0.00	0.01
Closing GFA	17.92	16.29
Average GFA	17.11	16.29
Less: Average Grants	0.00	9.75
Net Average Assets Not Funded Through Grants	17.92	6.54
30% Equity	5.38	1.96
Rate of Return on Equity (%)	14.00%	14%
Return on Equity @ 14%	0.75	0.27

Commission's Analysis

- 4.3.2. 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>

- 4.3.3. 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>

- 4.3.4. The Commission has accordingly allowed a Return on Equity (RoE) at 14% on the Minimum of (Actual equity and Normative equity), calculated based on the approved average GFA, excluding the average grants and contributions as outlined in respective section of this order.
- 4.3.5. The Commission prudently checked the Balance Sheet of the Petitioner for FY 2024 and noticed that Rs 2.48 Cr has been booked under total equity and further compares the Actual equity and Normative equity to maintain the capping of equity at 30% of capital cost or the Actual whichever is lesser.
- 4.3.6. The approved normative equity and the corresponding RoE for FY 2024-25 are presented below:

Table 53: Approved Return on Equity of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount
Opening GFA as on 01.04.2024	16.28
Addition to GFA during the Year	0.01
Deletion from GFA during the Year	0.01
Closing GFA as on 31.03.2025	16.29
Average GFA for FY 2024-25	16.29
Average Grants for FY 2024-25	9.75
Net Average Capital Assets for FY 2024-25 (not funded through Grants)	6.54
Equity @ min of (30% of Net Average Capital Assets and Actual Equity)	1.96
Rate of Return on Equity	14%
Return on Equity	0.27

- 4.3.7. **The Commission accordingly approves Return on Equity of Rs. 0.27 Crores for SLDC Business for Truing Up of FY 2024-25.**

4.4. Depreciation of SLDC Business

Petitioner’s Submission

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

considered as per the methodology given under the section of “Grant Adjustment and Funding Pattern”.

4.4.2. The calculation of depreciation is tabulated below:

Table 54: Computation of Depreciation for SLDC Business Claimed for FY 2024-25

(in Rs. Crs)

Asset Description	Opening GFA as per SOA	Additions as per SOA	Deletion as per SOA	Closing GFA	Avg. GFA	90% of GFA	% of Depreciation	Amount of Depreciation
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Buildings	0.88	0.00	0.00	0.88	0.88	0.79	3.34%	0.03
Plant and Equipment	0.08	0.00	0.00	0.08	0.08	0.07	5.28%	0.00
Furniture and Fixtures	0.00	0.00	0.00	0.00	0.00	0.00	6.33%	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
Office Equipment	6.52	0.01	0.01	6.52	6.52	5.87	6.33%	0.37
Hydraulic Works	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00
Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
Lines and Cable Works	3.16	0.00	0.00	3.16	3.16	2.84	5.28%	0.15
Intangible Assets	5.65			5.65	5.65	5.09	15.00%	0.76
Total	16.28	0.01	0.01	16.29	10.64	9.57		1.31
Rate of Depreciation								13.74%
90% of Average Grants in GFA								0.00
Depreciation on Grants								0.00
Net Depreciation								1.31

4.4.3. The Petitioner has prayed to allow the depreciation of Rs. 1.31 Crore for SLDC Business as detailed above for FY 2024-25.

Commission’s Analysis

- 4.4.4. The Commission considers the Opening Capital Cost in line with the Audited Financial Statements for FY 2024-25.
- 4.4.5. The Commission identified an inadvertent error in the submission of the Petitioner in respect of non-consideration of Intangible Assets under the column of Average GFA and 90% of Average GFA. The Commission has corrected the figure and re-establish the Petitioner’s submission accordingly, as depicted below:

Table 55: Computation of Depreciation for SLDC Business Claimed for FY 2024-25

(in Rs Cr)

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Buildings	0.88	0.00	0.00	0.88	0.88	0.79	3.34%	0.03
Plant and Equipment	0.08	0.00	0.00	0.08	0.08	0.07	5.28%	0.00
Furniture and Fixtures	0.00	0.00	0.00	0.00	0.00	0.00	6.33%	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
Office Equipment	6.52	0.01	0.01	6.52	6.52	5.87	6.33%	0.37
Hydraulic Works	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00
Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
Lines and Cable Works	3.16	0.00	0.00	3.16	3.16	2.84	5.28%	0.15
Intangible Assets	5.65	0.00	0.00	5.65	5.65	5.09	15.00%	0.76
Total	16.28	0.01	0.01	16.29	16.29	14.66		1.31
Rate of Depreciation							8.97%	
Opening Grant for the Year	9.75							
Grants Capitalized during the Year		0.00						
Closing Grant for the Year			9.75					
Average Grants in GFA				9.75				
90% of Grants for the year					8.78			
Less: Depreciation on Grants								0.79
Net Depreciation for the year								0.53

- 4.4.6. 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>

- 4.4.7. 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 2024-25, after deduction of the concerned amount pertaining to SLDC. This

calculation has been undertaken in strict adherence to the aforementioned provisions of the MYT Regulations, 2014.

4.4.8. The depreciation as per Regulations is computed for True up as depicted in the table below:

Table 56: Approved Depreciation of SLDC Business for FY 2024-25

(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	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Buildings	0.88	0.00	0.00	0.88	0.88	0.79	3.34%	0.03
Plant and Equipment	0.08	0.00	0.00	0.08	0.08	0.07	5.28%	0.00
Furniture and Fixtures	0.00	0.00	0.00	0.00	0.00	0.00	6.33%	0.00
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
Office Equipment	6.52	0.01	0.01	6.52	6.52	5.87	6.33%	0.37
Hydraulic Works	0.00	0.00	0.00	0.00	0.00	0.00	5.28%	0.00
Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
Lines and Cable Works	3.16	0.00	0.00	3.16	3.16	2.84	5.28%	0.15
Intangible Assets	5.65	0.00	0.00	5.65	5.65	5.09	15.00%	0.76
Total	16.28	0.01	0.01	16.29	16.29	14.66		1.31
Rate of Depreciation							8.97%	
Opening Grant for the Year	9.74							
Grants Capitalized during the Year		0.01						
Closing Grant for the Year				9.75				
Average Grants in GFA					9.75			
90% of Grants for the year						8.77		
Less: Depreciation on Grants								0.79
Net Depreciation for the year								0.53

4.4.9. In consideration of the above, this Commission approves Depreciation of Rs. 0.53 Crores for True-up of Transmission Business for FY 2024-25.

4.5. Interest and Finance Charges of SLDC Business

Petitioner's Submission

- 4.5.1. 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. Since, SLDC business does not have any loans, the weighted average rate of interest for Transmission business has been considered for the computation of interest on loan for SLDC also. The calculation of Interest on loan for SLDC is tabulated below as per its revised submission on 13.03.2026:

Table 57: Calculation of Interest on Loan for SLDC Business Claimed for FY 2024-25
(in Rs. Cr)

Particular	Approved 2024-25	Actual 2024-25
Opening Normative Loan	9.95	9.95
Addition to Loan	12.54	0.010
Repayment	2.07	0.53
Closing Normative Loan	20.42	9.43
Average Loan	15.19	9.69
Rate of Interest on Loan	9.00%	8.38%
Interest on Loan	1.37	0.81

- 4.5.2. Petitioner has requested the Commission to allow Interest on Loan of Rs. 0.81 Cr for FY 2024-25.

Commission's Analysis

- 4.5.3. The Petitioner, vide First Additional Information requirement dated 06.01.2026, was directed to submit Actual rate of interest, Interest accrued and Interest paid applicable for each loan, details of Penal interest, Normative Repayment etc. in a prescribed format which need to be supported by Auditor's Certificate and Bank Reconciliation Statement along with Loan agreements or amendments.

The Petitioner, in response of this query, has submitted that as on date there is no actual loan for the SLDC Business and hence the interest on loan has been computed on normative basis in line with the provisions of MYT Regulations, 2014.

"The weighted average rate of interest has been considered as the weighted average rate of interest of FY 2024-25 (True Up) which is subject to change based on actuals at the time of truing up of subject year i.e., FY 2026-27."

- 4.5.4. 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>

4.5.5. 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>

4.5.6. 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.

4.5.7. For purpose of arriving at the weighted average rate of interest (WAROI), the Commission has relied on the approved weighted average rate of interest of Transmission business for FY 2024-25 true-up.

4.5.8. The Commission approves the Normative Opening Loan as follows:

Table 58: Approved Calculation of Normative Opening Loan for SLDC Business for FY 2024-25
(in Rs. Cr)

Sl. No.	Parameters	Amount
1	Opening GFA for FY 2024-25	16.28
2	Accumulated Depreciation during the year (as per Note 2)	6.20

Sl. No.	Parameters	Amount
3	Opening Net Fixed Asset (NFA) (Sl. No. 1 - Sl. No. 2)	10.08
4	Minimum of (Actual Equity as per Balance Sheet and Normative Equity)	1.96
5	Original/Opening Grant capitalized	9.74
6	Original Debt (Sl. No. 1 - Sl. No. 4 - Sl. No. 5)	4.58
7	Loan repaid during the year (equal to Depreciation during the year)	0.53
8	Closing Loan balance for FY 24-25	4.05

4.5.9. The Commission approves the Normative Repayment of Loan equal to minimum of Approved Depreciation for FY 2024-25 and the Summation of Normative Opening and Addition of Loan during the year.

4.5.10. Considering the above Regulatory provisions, the Commission has computed the interest on loan capital outstanding for True up of 2024-25 as depicted in the table below:

Table 59: Approved Computation for Weighted Average Rate of Interest of Transmission Business for FY 2024-25

(in Rs. Crs)

Particulars	REC Killing-Byrnihat Loan	State Govt Loan	Total	Weighted Average of Interest
Opening balance	4.53	42.19	46.72	8.38%
Additions during the year	0.00	0.00	0.00	
Repayment (incl. default)	4.53	0.00	4.53	
Closing balance	0.00	42.19	42.19	
Average Loan	2.27	42.19	44.46	
Interest payable	0.05	3.67	3.73	

Table 60: Approved Interest on Loan for FY 2024-25

(in Rs. Crs)

Particular	Amount
Net Normative Loan Opening	4.58
Addition in Loan	0.00
Repayment	0.53
Net Normative Loan Closing	4.05
Average loan	4.31
WAROI	8.38%
Interest on Loan	0.36

4.5.11. **The Commission accordingly approves Rs. 0.36 Crores towards Interest and Finance Charges for FY 2024-25.**

4.5.12. To ensure fairness and transparency the Commission hereby directs the Petitioner to henceforth submit the followings along with True-Up petition;

- i. Actual Loan Profile as per Annexure certified by Auditor;

- ii. Normative Repayment schedule,
- iii. Loan agreements or amendments,
- iv. Bank confirmation certificate for Repayment and
- v. Valid reason of change in Actual Interest Rate (if any).

4.6. Operation and Maintenance Expenses of SLDC Business

Petitioner's Submission

4.6.1. 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 2024-25. The details of operation and maintenance expenses are tabulated:

a. Employee Expenses

4.6.2. Petitioner has claimed Employee expenses as per the audited accounts.

Table 61: Employee Expenses of SLDC Business Claimed for FY 2024-25

(in Rs. Crs)

Particular	Approved 2024-25	Actual 2024-25 (As per SOA)
Salaries and Wages	3.36	2.99
Contribution to PF		0.18
Staff Welfare Expenses		0.00
Total	3.36	3.18

4.6.3. Petitioner has requested the Commission to allow the employee expenses of Rs. 3.18 Cr for FY 2024-25.

b. Renovation & Modernization (R&M) Expenses

4.6.4. Petitioner has claimed R&M expenses as per the audited accounts, as depicted below:

Table 62: R&M Expenses of SLDC Business Claimed for FY 2024-25

(in Rs. Cr)

Particular	Approved 2024-25	Actual 2024-25 (As per SOA)
Buildings		0.00
Plant and Equipment		0.00
Civil Works		0.00
Lines and Cables		0.05
Vehicles		0.00
Furniture and Fixtures		0.00
Office Equipment		0.88
Total	0.87	0.93

- 4.6.5. Petitioner has requested the Commission to allow the R&M expenses of Rs. 0.93 Cr for FY 2024-25.

c. Administrative & General (A&G) Expenses

- 4.6.6. Petitioner has claimed that the A&G expenses have also been claimed as per the statement of accounts.

Table 63: A&G Expenses of SLDC Business claimed for FY 2024-25

(in Rs. Crs)

Particular	Approved FY 2024- 25	Actual FY 2024-25 as per SOA	
Insurance Charges	0.29	0.00	
Rent, Rates and Taxes		0.00	
Telegram, Postage, Telegraph and Telex charges		0.06	
Training, conveyance and vehicle running expenses		0.14	
Printing and stationery expenses		0.01	
Auditors' remuneration		0.00	
Books & Periodicals		0.00	
Advertisement charges		0.00	
Technical Fees		0.00	
Legal and professional charges		0.01	
Meghalaya State Electricity Regulatory Commission (MSERC)		0.00	
NERPC Fees		0.00	
Bank Charges		0.00	
Miscellaneous expenses		0.00	
Electricity Charges		0.00	
GST Expenses		0.00	
ROC Charges		0.00	
Total			0.23

- 4.6.7. The Petitioner has requested the Commission to allow the A&G expenses of Rs. 0.23 Cr for FY 2024-25.

Commission's Analysis

- 4.6.8. The Commission observed the Petitioner has claimed Rs 0.18 Cr under the line item of Contribution of Provident Fund vide Table No. 40 (Employee Expenses (Rs. Cr.) for FY 2024-25) of the petition for its SLDC Business. Accordingly, the Petitioner, vide First Additional Information Requirement dated 06.01.2026, was directed to submit the reconciliation of this expenditure.

In response to the above query, the Petitioner submitted that the Contribution to Provident Fund is being claimed as per the Note 17 of the audited state of accounts of SLDC submitted along with the Petition. Further, the Petitioner added that the breakup of Rs. 18,20,940 (i.e. Rs 0.18 Cr) can be

verified from the Row No. 112 and Row No. 154 of the Trial Balance of the excel version of the accounts.

- 4.6.9. 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

- 4.6.10. The Commission has considered the Employee Benefit Expenses for the Petitioner as per Note no. 17 of Audited Statement of Accounts (SoA) of the Petitioner.
- 4.6.11. The Commission considers the Employee expenses are admissible as claimed by the petitioner for True up of FY 2024-25, as depicted in the table below:

Table 64: Approved Employee Expenses of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount (Approved)
Salaries and Wages	2.99
Contribution to Provident Fund	0.18
Staff Welfare Expenses	0.00
Total Employee Expenses	3.18

b. Renovation & Modernization (R&M) Expenses

- 4.6.12. The Commission considers that the R&M expenses are admissible as claimed by the petitioner for True up of FY 2024-25 as depicted in the table below:

Table 65: Approved R&M Expenses of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount (Approved)
R&M Expenses Buildings	0.00
R&M Expenses Plant and Machinery	0.00
R&M Civil Works	0.00
R&M Lines and Cables	0.05
R&M Vehicles	0.00
R&M Furniture's and Fixtures	0.00
R&M Office Equipment	0.88
Total of R&M Expenses	0.93

c. Administrative & General (A&G) Expenses

4.6.13. The Commission considers that the A&G expenses are admissible as claimed by the petitioner for True up of FY 2024-25 as depicted in the table below:

Table 66: Approved A&G Expenses of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particular	Amount (Approved)
Insurance Charges	0.00
Rent, Rates and Taxes	0.00
Telegram, Postage, Telegraph and Telex charges	0.06
Training, conveyance and vehicle running expenses	0.14
Printing and stationery expenses	0.01
Auditors' remuneration	0.00
Books & Periodicals	0.00
Advertisement charges	0.00
Technical Fees	0.00
Legal and professional charges	0.01
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	0.00
Bank Charges	0.00
Miscellaneous expenses	0.00
GST Expenses	0.00
ROC Charges	0.00
Staff Advance written off	0.00
POC Rebate	0.00
Excess Interest on FD	0.00
Total A&G Expenses	0.23

4.6.14. Based on the above, the summary of the total O&M expenses are depicted below:

Table 67: Total Approved O&M Expenses of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Total
Employee cost	3.18
R&M Expenses	0.93
A&G expenses	0.23
Total O&M expenses	4.34

- 4.6.15. **This Commission approves Rs. 4.34 Crores towards O&M Expenses for True Up of FY 2024-25.**

4.7. Interest on Working Capital of SLDC Business

Petitioner's Submission

- 4.7.1. 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.”

- 4.7.2. 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 01.04.2024 has been considered for the purpose of computation of the interest on working capital. The calculation of Interest on working capital for SLDC is tabulated below as per its revised submission on 13.03.2026:

Table 68: Claimed Computation of Interest on Working Capital of SLDC Business for FY 2024-25

<i>(in Rs. Crs)</i>	
Particulars	Amount
Operation and Maintenance Exp for 2 Months	0.36
1% Maintenance spares on opening GFA escalated	0.17

Particulars	Amount
at 6%	
Receivables for 2 months of ATC (Net ARR/12*2)	1.03
Total Working Capital Requirement	1.57
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	0.23

- 4.7.3. The Petitioner has requested the Commission to allow the interest on working capital as Rs. 0.23 Cr. for the FY 2024-25.

Commission's Analysis

- 4.7.4. 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:

d) Operation and maintenance expenses for one month; plus

e) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus

f) 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>

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

Table 69: Approved Interest on Working Capital of SLDC Business for FY 2024-25

Particulars	Amount
Operation and Maintenance Exp for one month	0.36
Maintenance Spares (1% historical cost escalated at 6%)	0.17
Receivables for 2 months of ATC [(Net ARR/12) *2]	0.95
Total Working Capital Requirement	1.49

Particulars	Amount
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	0.22

- 4.7.6. **The Commission approves Interest on Working Capital at Rs. 0.22 Crore for True up of FY 2024-25.**

4.8. Non-Tariff Income of SLDC Business

Petitioner's Submission

- 4.8.1. Petitioner has submitted that the non-tariff income has been claimed as per the statement of accounts with certain exclusions as considered by the Commission in previous True Up Orders.
- 4.8.2. The Petitioner further submitted that the other income for SLDC business does not include the SLDC Charges and OA charges. It is pertinent to mention that the Commission vide its order dated 10.04.2014 on the ARR of SLDC for FY 2024-25 had decided the create SLDC funds for funding the future CAPEX requirement of SLDC, the excerpt of which is represented hereunder:

“This year the Commission has created the SLDC funds for making the capital expenditure in strengthening the SLDC functions as per the national standards. This fund shall be utilized by SLDC after getting the prior approval of the Commission by submitting the specific capital investment plan for FY 2024-25. To fund the SLDC fund, the income from open access consumers shall be used. Accordingly, the Commission is not accounting for this income for the purpose of the ARR to be charges from transmission and generation companies.”

- 4.8.3. Further, the Petitioner added that since the segregation of ARR of SLDC was being carried out first time as per the directions of the Commission. The Petitioner vide letter dated 3rd November 2023 sought clarification from the Commission that whether the above directive still remains operative or not. Subsequently, the Commission vide letter dated 15th November 2023 has replied that the directive still remains valid and hence directed the Petitioner to take into accounts these terms and conditions while filing the separate ARR for SLDC.
- 4.8.4. Accordingly, the Petitioner has not considered the charges collected from the Open access consumers (Rs. 1.50 Crore) and thus, it claimed a total amount of Rs. 0 Crore as appearing in the SLDC accounts as non-tariff income.

Commission's Analysis

- 4.8.5. The Commission has observed that an amount of Rs. 0.13 Crore has been booked under “Application fee Short Term Open Access Charges” and Rs 1.37 Crore booked under “State Load Dispatch Centre (SLDC) Charges” in Note 15

of the Audited Financial Statements under the head of “Other operating revenues”. The total amount of the above-mentioned incomes arrives at Rs 1.50 Cr.

Table 70: Commission’s observation on Other Income of SLDC Business booked in Audited Statement for True up of FY 2024-25

(in Rs. Crs)

Particulars	Amount
A: Non-Tariff Income	
Interest Income (From Banks)	0.00
Interest Income (from Others)	0.00
Scrap Sale	0.00
AMC Charges	0.00
Rental and hiring Income	0.00
Discount Received	0.00
Fees and Penalties	0.00
Sale of Tender forms	0.00
Miscellaneous receipts	0.00
Amortization of Grant	0.00
Prior Period Income	0.00
Sub-Total (A)	0.00
B: Other Operating Revenue	
Application fee Short Term Open Access Charges	0.13
State Load Dispatch Centre (SLDC) Charges	1.37
Sub-Total (B)	1.50
Total Other Income (A+B)	1.50

- 4.8.6. **The Commission is of the view that these charges (Rs 1.50 Cr) should be used for SLDC funds based on the prevailing directive. Accordingly, the Commission approves Non-Tariff / Other income at NIL for True up of FY 2024-25.**

4.9. Revenue from SLDC Business

Petitioner’s Submission

- 4.9.1. 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 with exclusion of amount collected from OA consumers.

Table 71: Details of Revenue from SLDC Business claimed for FY 2024-25

(in Rs. Crs)

Particular	Actual SLDC 2024-25 as per SOA	Claim for MePTCL 2024-25
SLDC Charges from MePGCL	3.09	3.09
SLDC Charges from MePTCL	2.90	2.90
STU and OA Charges	0.13	0.00
SLDC Charges	1.37	0.00
Total	7.50	6.00

4.9.2. The Petitioner requested the Commission to approve the revenue for FY 2024-25 as Rs. 6.00 Cr.

Commission’s Analysis

4.9.3. The Commission has observed that the Petitioner has reported Revenue from operations at Rs. 6.00 Crore in line with Audited Financial Statement.

4.9.4. It is also observed by the Commission that “SLDC charges” 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 SLDC business for FY 2024-25.

Table 72: Approved Revenue from Operations of SLDC Business for FY 2024-25
(in Rs. Crs)

Particulars	Amount
SLDC Charges from MePGCL	3.09
SLDC Charges from MePTCL	2.90
Total Revenue from Operations	6.00

4.9.5. **This Commission approves Revenue from Operations at Rs. 6.00 Crore for True up of FY 2024-25.**

4.10. Aggregate Revenue Requirement of SLDC Business for FY 2024-25

Petitioner’s Submission

4.10.1. Based on the computation of various components of ARR as detailed out in previous paragraphs the ARR for FY 2024-25 is estimated as under:

Table 73: Aggregate Revenue Requirement of SLDC Business claimed for FY 2024-25
(in Rs. Crs)

Particulars	Approved by Commission for FY 2024-25	Actual for True Up FY 2024-25 (Claimed)
Return On Equity	0.72	0.53

Particulars	Approved by Commission for FY 2024-25	Actual for True Up FY 2024-25 (Claimed)
Depreciation	2.07	0.27
Interest on Loan	0.45	0.81
Interest on Working Capital	0.25	4.34
Operation and Maintenance Expenses	4.52	0.23
Total ARR	8.01	6.19
Less: Non-Tariff Income	1.09	0.00
Net ARR	6.92	6.19

4.10.2. The Petitioner requested the Commission to approve the ARR of Rs. 6.19 Cr for FY 2024-25.

Commission's Analysis

4.10.3. The Commission, with reference to the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014, after Prudence check of the petition considering the additional information and additional submission, the objections raised by the stakeholders, the response of the MePTCL for the objections, the minutes of the public hearing process and views of the State Advisory Committee, has approved Annual Revenue Requirement for True up of SLDC business for FY 2024-25 as depicted in the table below:

Table 74: Approved Aggregate Revenue Requirement of SLDC Business for True up of FY 2024-25

(in Rs. Crs)

Sl. No.	Particulars	True-Up for FY 2024-25 (Claimed)	True-Up for FY 2024-25 (Approved)
1	Return On Equity	0.68	0.27
2	Depreciation	1.31	0.53
3	Interest on Loan	0.78	0.36
4	Interest on Working Capital	0.26	0.22
5	Operation and Maintenance Expenses	4.34	4.34
6	Gross Annual Revenue Requirement (ARR)	7.38	5.72
7	Less: Non-Tariff Income	0.00	0.00
8	Net Annual Revenue Requirement (ARR)	7.38	5.72

4.10.4. Based on the above, the Commission approves ARR at Rs. 5.72 Crores for True up of FY 2024-25.

4.11. Revenue Gap/Surplus of SLDC Business

Petitioner's Submission

4.11.1. Based on the ARR and Revenue presented above the Revenue Gap for FY 2024-25 is presented below,

Table 75: Revenue Gap of SLDC Business Claimed for FY 2024-25
(in Rs. Crs)

Particulars	Amount
Aggregate Revenue Requirement	6.19
Revenue from Sale of Power	6.00
Stand Alone Gap for FY 2024-25	0.19

- 4.11.2. The Petitioner requested the Commission to approve the total gap of Rs. 0.19 Crores for FY 2024-25.

Commission's Analysis

- 4.11.3. 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 76: Approved Revenue Gap of SLDC Business for FY 2024-25

(in Rs. Crs)		
Sl. No.	Particulars	FY 2024-25
1	Approved recoverable ARR (including Pension Liabilities)	5.72
2	Revenue from Operations (as per audited SOA)	6.00
4	Revenue Gap/(Surplus)	-0.27

- 4.11.4. **Accordingly, the Commission approves Revenue Surplus at Rs. 0.27 Crores in True up of FY 2024-25. The Revenue Gap shall be appropriated in the next Tariff Order.**

5. Summary of Order for SLDC Business

The summary of True up Order for Transmission Business for MePTCL for FY 2024-25 as approved by the Commission, is represented in the table below:

Table 77: Summary of Approved ARR figures of SLDC Business for True-Up of FY 2024-25

(in Rs. Crs)

Sl. No.	Particulars	True-Up for FY 2024-25 (Claimed)	True-Up for FY 2024-25 (Approved)
1	Return On Equity	0.27	0.27
2	Depreciation	0.53	0.53
3	Interest on Loan	0.78	0.36
4	Interest on Working Capital	0.26	0.22
5	Operation and Maintenance Expenses	4.34	4.34
6	Gross Annual Revenue Requirement (ARR)	6.19	5.72
7	Less: Non-Tariff Income	0.00	0.00
8	Net Annual Revenue Requirement (ARR)	6.19	5.72
9	<i>Revenue from Operations</i>	6.00	6.00
10	Revenue Gap/(Surplus)	0.19	-0.27

6. 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 78: 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 2025-26 (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)				
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The Petitioner shall file Status of the all the Directives mentioned above and under respective sections in this Order 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 01.04.2025			During the Year									As on 31.03.2026	
	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 2026	Interest accrued	Interest paid	Penal interest due	Penal Interest paid	Loan outstanding	Interest-accrued but not due 31.03.2026
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					

7. Applicability of the Order

This Order shall come into effect from 1st April 2026.

The Petition of Meghalaya Electricity Power Transmission Company Limited (MePTCL) in Case No. 07 of 2025 stands disposed of accordingly.

Sd/-

**Chandan Kumar Mondol,
Chairman**