



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

1st Floor (Front Block Left Wing), New Administrative Building
Lower Lachumiere, Shillong, Meghalaya - 793 001

Case No. 1 of 2025

In the matter of Review of True up Order for Distribution Business for FY 2022-23

AND

Meghalaya Power Distribution Corporation Limited (the Petitioner)

Coram

Shri. Chandan Kumar Mondol, Chairman

Shri. Ramesh Kumar Soni, Member (Law)

ORDER

(Dated: 19th September 2025)

1. The Commission has passed the Order for True-Up of Distribution Business of Meghalaya Power Distribution Corporation Limited (MePDCL) for FY 2022-23 dated 18.10.2024.
2. Regulation 22.2 of the MSERC (Multi Year Tariff) Regulations, 2014 specifies that the Commission shall undertake the review of True up Order provided that:
 - a) the review petition is filed within sixty days from the date of the order, and / or
 - b) there is error apparent on the face of the record.
3. In accordance with Regulation 22 of MSERC (Multi Year Tariff) Regulations, 2014, Meghalaya Power Distribution Corporation Limited (MePDCL) has filed the Review petition dated 20th December 2024 against the Order dated 18.10.2024 towards True Up of Distribution Business of MePDCL for FY 2022-23.

4. The Commission observes that, in line with the above mentioned regulatory provision, the cut-off date for submission of review petition was 17th December 2024. This Commission considering the minor deviation to meet the deadline for submission of review petition has condoned the delay and has admitted the petition.
5. The Petition was admitted by the Commission on 14th January 2025 and registered as Case No.1 of 2025. While admitting the Petition, the Commission directed MePDCL to published the Review Petition on the website of MeECL, inviting objections/ suggestions from stakeholders, allowing 15 (fifteens) days' time to respond. However, no comments were received.
6. The Commission vide Notice dated 1st September 2025 published in its website, scheduled hearing on the Review Petition on 16th September 2025.
7. The Commission conducted a hearing on the scheduled date in the Office of the Commission. The Chairperson initiated the hearing on the Review Petition and directed the Petitioner to submit its case.
8. Having heard the Petitioner and taking into consideration of all the facts, additional information and prudence check of the claims as per the MSERC (Multi Year Tariff) Regulations, 2014, approves the Review Order for Distribution Business for FY 2022-23 in the chapters annexed along with this Order.

Sd/-

Ramesh Kumar Soni,
Member (Law)

Sd/-

Chandan Kumar Mondol,
Chairman

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1. Background and Facts about the case

1.1. Introduction

1.1.1. The Petitioner has submitted a Review Petition on 20.12.2024 under section 94 (1) (f) of the Electricity Act, 2003 read with Regulation 21 of the MSERC (Conduct of Business) Regulations, 2007, seeking review and rectification of the Order for True Up of Distribution Business for FY 2022-23 dated 18.10.2024, issued by Meghalaya State Electricity Regulatory Commission (MSERC) in Case No. 36 of 2023 against the Petition filed by MePDCL.

1.1.2. The issues raised by the Petitioner in this instant Review Petition against True-Up Order dated 18.10.2024 are summarised below:

- a) Rectification of the error in computation of AT&C losses and penalty thereof.
- b) Review the True-Up gap for FY 2022-23 to be adjusted in the Tariff Order for FY 2025-26

1.1.3. Section 94(1)(f) of the Act bestows the Electricity Regulatory Commission(s) with the power to review its decisions, directions and orders.

1.1.4. Further, Clause 22 of the MSERC (Multi Year Tariff) Regulations, 2014 states that a review petition against a Tariff Order can be admitted by the Commission when there is error apparent on the face of the record provided below:

"22.1 All applications for the review of tariff shall be in the form of petition accompanied by the prescribed fee. A petition for review of tariff can be admitted by the Commission under the following conditions:

a) the review petition is filed within sixty days for the date of the tariff order, and / or

b) there is an error apparent on the face of the record.

22.2 On being satisfied that there is a need to review the tariff of any generating company or the licensee, the Commission may on its own initiate process of review of the tariff of any generating company or the licensee. The Commission may also, in its own motion review any tariff order to correct any clerical error or any error apparent of the face of the record."

<Emphasis added>

1.1.5. In accordance with Regulation 21 of the Meghalaya State Electricity Regulatory Commission (Conduct of Business) Regulations, 2007, provided below:

"21. Review of the decisions and orders of the Commission

*(1) A person aggrieved by a decision or order of the Commission from which no appeal is preferred, or is not allowed to be preferred, can seek a review of the order if new and important facts which, after the exercise of due diligence, were not within his knowledge or **could not be produced by him at the time when the order was passed or on account of some mistake or error apparent on the face of record or for any other sufficient reason, by making an application within 60 days of the date of the order.***

(2) The procedure for filing a review application shall be the same as in case of filing of a petition."

<Emphasis Added>

- 1.1.6. This Commission has assessed each of the issues raised by the Petitioner to determine whether they qualify for review under Regulation 21 of the Meghalaya State Electricity Regulatory Commission (Conduct of Business) Regulations, 2007. The Review sought by the Petitioner on the issues as mentioned vide paragraph 1.1.2 above, have now been discussed in detail in the sections below.

2. Review on True-up of Distribution Business for FY 2022-23

2.1. AT&C loss (%)

Petitioner's Submission

2.1.1. The Petitioner in this instant Review Petition, had submitted that vide Para 3.16.5 (refer Table 39) Page No. 48 of the Order for True-Up of Distribution Business for FY 2022-23 dated 18.10.2024, the Commission had stated the following:

"3.16. Computation of AT&C losses

....

Commission's Analysis

3.16.4. The Commission observed the AT&C loss computation arrived at in the Format D2 (A) as submitted by the Petitioner in Additional Information 2.

....

3.16.5. However, the Petitioner has failed to justify / substantiate the figures submitted in the Format D2 (A) and hence the Commission has recomputed the AT&C loss% in the following format as provided below:

Particular	Calculation	Unit	Current Year FY 2022-23
Input energy (metered import) received at interface points of DISCOM network	A	MU	2862.14
Input Energy (metered Export) by the DISCOM at interface point of DISCOM network including balance surplus energy	B	MU	646.66
Total energy available for sale within the licensed area to the consumers of the DISCOM periphery	$C = (A - B) * (1 - 3.16\%)$	MU	2144.50
Energy billed to metered consumers within the licensed area of the DISCOM	D	MU	1781.35
Energy billed to unmetered consumers within the licenses area of the DISCOM	E	MU	0.00
Total Energy billed	$F = D + E$	MU	1781.35
Amount billed to consumer within the licensed area of DISCOM	G	Rs. Cr.	1093.51
Amount realized by the DISCOM out of the amount Billed	H	Rs. Cr.	878.18
Collection Efficiency	$I = (H / G) * 100$	%	80.31%
Energy Realized By DISCOM	$J = FXI$	MU	1430.57
T&D Losses	$K = \{(C - F) / C\} * 100$	%	16.93%
AT&C Losses	$L = \{(C - J) / C\} * 100$	%	33.29%

...."

2.1.2. Further, the Petitioner has submitted that vide Para 3.16.6 (refer Table 40) Page No.49 of the Order for True-Up of Distribution Business for FY 2022-23 dated 18.10.2024, the Commission has computed the collection efficiency as tabulated below:

“3.16.6. Accordingly, Commission approved the AT&C Loss (%) as shown in the table below,

Table 40: Approved AT&C Losses for FY 2022-23

Sl No	Particulars	Value (Approved)
1.	Opening balance of receivables as approved closing balance for FY 2021-22 (as per audited accounts of FY 2021-22)	689.98
2.	Revenue from Sale of Power Within the State in FY 2022- 23 (Note 24 of SoA)	1093.51
3.	Total	1783.49
4.	Less: Closing Balance of Receivables as at Note 7 of SoA	905.32
5.	Revenue Realized in FY 2022-23 from Sale of Power Within the State (Sl No. 3-4)	878.18
6.	Collection Efficiency (%) $(941.34/1093.51*100)$	80.31%
7.	Distribution Losses (%) (Vide Table No.9(A))	16.93%
8.	AT&C Losses (%) (As computed above)	33.39%

....”

2.1.3. Further, the Petitioner has also contended that the Commission while computing the AT&C losses had considered the entire receivables as per the Note 7 of the Statement of Accounts for FY 2022-23, which includes receivables against sale of power within the state as well as the receivables from sale of power outside the state of Meghalaya during the year.

2.1.4. Moreover, the Petitioner has stated that the AT&C losses are to be computed on all parameters within the state of Meghalaya only and hence, the receivables against sale of power outside the state are ought to be excluded while computing the collection efficiency for FY 2022-23. The bifurcation of the receivables against the sale of power within the state and outside the state was provided at Note. 7.4 of the Audited Statement of Accounts for FY 2022-23. The details of the same are being reproduced in the table below:

Table 1: Trade Receivable as per Note 7.4 of the Audited Statement of Accounts for FY 2022-23

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Receivables from Sale of Power, including FPPA (within the State)	5,93,46,29,806	4,44,68,11,796
Receivables from Sale of Power- Inter State (Assam)	72,139	72,139
Receivables from Sale of Power- Inter State (Mizoram)	13,68,746	13,68,746

Particulars	As at 31st March 2023	As at 31st March 2022 (Restated)
Receivables from Sale of Power- Outside the State (Unscheduled Interchange and others)	76,82,74,556	55,50,04,359
Receivables from Sale of Power- Miscellaneous, including RRAS	1,91,78,86,692	1,57,31,77,103
Electricity Duties Receivable	43,09,19,768	32,34,08,324
Total	9,05,31,51,705	6,89,98,42,466

2.1.5. The Petitioner further clarified that, the opening and closing receivables against the sale of power within the state are Rs. 444.68 Crores and Rs. 593.46 Crores respectively are to be considered while computation of the AT&C losses for FY 2022-23.

2.1.6. In view of the above, the Petitioner has also requested that there has been an error apparent on the face of records while computation of collection efficiency and AT&C Losses in the True-Up of Distribution Business for FY 2022-23 vide Order dated 18.10.2024 in Case No. 36 of 2023 and accordingly the Petitioner submitted the correct computation of AT&C losses as tabulated below:

Table 2: Determination of AT&C loss (Claimed by Petitioner)

Sl. No.	Particular	Derivation	Revised claims for FY 2022-23
1	Input Energy (MU)	A	2257.33
2	Interstate Transmission Losses (MU)	B	42.87
3	Net Input Energy (MU)	$C=(A-B)$	2214.46
4.	Intra State Transmission Losses	C	69.98
5.	Net Input Energy (MU)		2144.49
6.	Energy Sold (MU)	D	1781.35
7.	Revenue from Sale of Power (Rs. Cr.)	E	1093.51
8.	Adjusted Revenue (Rs. Cr)	F	1093.51
9.	Opening Debtors (Rs Cr)	G	444.68
10.	Closing Debtors (Rs. Cr.)	H	593.46
11.	Collection Efficiency (%)	$I=(F+G- H)/E$	86.39%
12.	Units Realized (MU)	$J=I*C$	1538.98
13.	Units Un Realized (MU)	$K=C-J$	605.51
14.	AT&C Loss (%)	$L=K/C$	27.34%

Commission's Analysis

2.1.7. The Commission acknowledges MePDCL's submission in this regard and observes that the Petitioner wrongly calculated the AT&C Loss (%) by considering the 'Input energy at STU Periphery' (2214.46 MUs) instead of 'Net Input Energy (MUs) at DISCOM periphery' (2144.49 MUs).

2.1.8. Further, this Commission is of the view that electricity sold to other states is governed by separate Agreements or Regulations, which involves different factors beyond the jurisdiction of MePDCL.

2.1.9. In this regard, it is being re-affirmed that the Collection efficiency, being a key performance parameter for the licensee in electricity distribution business, this Commission considers the Opening and Closing Debtors i.e., the Trade Receivables only from the sales within the DISCOM Periphery towards computation of Collection efficiency and AT&C Loss for FY 2022-23.

2.1.10. Further, the Central Electricity Authority (CEA) vide letter. No. CEA/DPD/AT&C losses/2017/758-818 dated. 02.06.2017 and “Addendum to AT&C loss calculation Methodology” dated 30.06.23 has prescribed guideline of “Calculation Methodology for Computation of AT&C Losses”. This Commission in consideration of the prescribed guideline has recomputed Collection Efficiency (%) and AT&C Loss (%) for FY 2022-23 as tabled below:

Table 3: Approved AT&C Losses (%) for FY 2022-23 (Revised)

Particulars	Derivation	Approved
Energy purchased from CGS/exchange (Energy available at CTU-STU periphery)	a	1200.74
Inter-state transmission (CTU) Loss (in MUs) (considering 3.57% loss)	$b = (a * 3.57\%)$	42.87
Input Energy (MUs) at CTU-STU periphery	$c = (a - b)$	1157.88
Energy purchase from other states at State Periphery level	d	660.72
Energy Generated - Auxiliary consumption (Own generation)	e	1043.53
Energy traded at STU interface (State Periphery) level	f	647.66
Input Energy (MUs) at STU level	$g = (c + d + e - f)$	2214.48
STU Losses (MUs) (considering 3.16% loss)	$h = (g * 3.16\%)$	69.98
CEA FORMAT		
Net Input Energy (MUs) at DISCOM periphery	A	2144.50
Energy Sold (MUs)	B	1781.35
Revenue from Sale of Energy (Rs. Cr.)	C	1093.51
Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs. Cr.)	D	1093.51
Opening Debtors for Sale of Energy (Rs. Cr.) (as per Note 7.4 of SOA for FY 2022-23)	E	444.68
Closing Debtors for Sale of Energy (Rs. Cr.) (as per Note 7.4 of SOA for FY 2022-23)	F	593.46
Adjusted Closing Debtors for sale of Energy (Rs. Cr.)	G	593.46
Collection Efficiency (%)	$H = [(D + E - G) / C] * 100$	86.39%
Units Realized (MUs) = [Energy Sold * Collection efficiency]	$I = (B * H) / 100$	1538.98
Units Unrealized (MUs) = [Net Input Energy - Units Realized]	$J = (A - I)$	605.52
AT&C Losses (%) = [(Units Unrealized / Net Input Energy) * 100]	$K = (J / A * 100)$	28.24%

2.1.11. The Commission has revised and approves AT&C Loss (%) of 28.24% in this Review of Order for True up of Distribution Business of FY 2022-23.

2.2. AT&C Loss Penalty

Petitioner's Submission

2.2.1. The Petitioner in this instant Review Petition, had submitted that, vide Para 3.16.8 (refer Page no.49) of the Order for True-Up of Distribution Business for FY 2022-23 dated 18.10.2024 has computed the penalty for non-achievement of the target AT&C losses, which is being reproduced below:

"3.16.8. Regulation 83.1 of MSERC MYT Regulations specifies that,

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

Provided that it shall be obligatory on the licensee whose AT&C losses during the previous year are in excess of 30 percent, to project reduction of such losses by a minimum of 3 percent during the year for which a Tariff Application is made. Any shortfall in the projected level of AT&C losses for such year, in this regard, may be penalized by an amount equivalent to the cost of the quantum of energy to be lost due to inability of the licensee to plan and achieve reduction of AT&C losses by a minimum of 3 percent from the previous year's level as may be allowed. Such amount shall be calculated at the average-over-all-unit-cost of sale of power, as approved by the Commission for such year.

Provided also that in the case of a licensee whose AT&C losses during the previous year were less than 30 percent, it would be obligatory for such licensee to reduce such AT&C losses by a minimum of 1.5 percent only during the year for which a Tariff Application is made. Failure to achieve this level of reduction may be penalized in the same manner as set out in clause (a) above. Further, provided that the overall penalty, of any, may be limited by relevant Central Guidelines, as may be notified from time to time

3.16.9. Accordingly, the Commission considers the AT&C loss penalty as detailed in the table below,

Table 41: Approved AT&C Loss Penalty for FY 2022-23

Sl. No.	Particular	Unit	Value (Approved)
1	Actual AT&C Losses for FY 2021-22	%	25.95%
2	Target AT&C Losses for FY 2022-23 (1.5% less of Sl.no.1)	%	24.45%
3	Actual AT&C Losses for FY 2022-23 as recomputed	%	33.29%
4	Short Fall over the Targeted Level (Sl.no.3-2)	%	8.24%
5	AT&C Losses in terms of Energy for FY 2022-23	MU	157.49
6	Average Unit cost of sale of power as per Reg.83.1	Rs./kWh	6.14
7	Penalty to be levied on the short fall of AT&C loss (sl.no.5x6)	Rs. Cr.	96.68

...."

2.2.2. The Petitioner, thereby in accordance with its computed AT&C loss has recomputed the penalty as reproduced below:

Table 4: AT&C loss penalty (Claimed by Petitioner)

Sl. No.	Particular	Unit	Value (Review)
1	Actual AT&C Losses for FY 2021-22	%	26.0%
2	Target AT&C Losses for FY 2022-23	%	24.5%
3	Actual AT&C Losses for FY 2022-23	%	27.3%
4	Short Fall	%	2.9%
5	AT&C Losses in terms of Energy	MU	51.54
6	Average Billing Rate	Rs./kWh	6.14
7	Penalty	Rs. Cr.	31.64

2.2.3. The Petitioner in this instant Review Petition, has analysed the impact of the review and accordingly claimed the overall gap for FY 2022-23 as tabulated below:

Table 5: Net Impact of revised AT&C loss Penalty viz-a-viz approved vide Order dated 18.10.2024 (Claimed by Petitioner)

Sl. No.	Particular	Amount (In Rs. Cr.)
1.	Penalty on non-achievement of the AT&C losses approved in Order dated 18.10.2024	96.68
2.	Penalty on non-achievement of AT&C losses claimed in review petition	31.64
3.	Impact	65.04

2.2.4. Accordingly, the Petitioner has submitted the impact on the overall gap allowed by the Commission vide its True Up Order for Distribution Business for FY 2022-23 dated 18.10.2024. The same has been reproduced below:

Table 6: Revised True-Up Gap for FY 2022-23 (Claimed by Petitioner)

Sl. No.	Particular	Amount (In Rs. Cr.)
1.	Gap allowed by the Commission in Order dated 18.10.2024	140.09
2.	Additional Gap as per the Review Petition (as per Table 5)	65.04
3.	Total Gap	205.13

2.2.5. Further, the Petitioner had submitted that since the Revenue Gap of Rs. 140.09 Crore has already been adjusted in the Distribution Tariff Order issued by the Commission for FY 2024-25 dated 24.10.2024, the Petitioner requested the Commission to adjust the additional gap of Rs. 65.04 Crore arising out of this Review Petition in the Tariff Order for its Distribution Business for FY 2025-26.

Commission's Analysis

2.2.6. This Commission in this Review Order for True Up of Distribution Business for FY 2022-23 dated 18.10.2024 has approved the revised AT&C Loss for FY 2022-23 as tabled in Section 2.1 above. Further, this Commission in consideration of the approved AT&C loss as per Table 3 above and the Approved Energy sales of 1781.35 MUs for FY 2022-23, the Commission re-determines the AT&C loss Penalty in line with Regulation 83.1 of MSERC (Multi Year Tariff) Regulations, 2014, read along with its subsequent amendments, as reproduced below:

Table 7: Approved Revised AT&C loss Penalty for FY 2022-23 (Revised)

Sl. No.	Particulars	Unit	Approved
1	Actual AT&C loss for FY 2021-22	%	25.95%
2	Target level for FY 2022-23 (1.5% less of Sl.no.1)	%	24.45%
3	Actual AT&C loss for FY 2022-23 as per the CEA Format	%	28.24%
4	Short fall over the Targeted Level (Sl.no.3-2)	%	3.79%
5	AT&C loss in terms of Energy for FY 2022-23 (Energy sales * sl. no.4)	MUs	67.44
6	Average Unit cost of sale of power or Average Billing Rate (= Revenue from operation/Energy Sales)	Rs./kWh	6.14
7	Penalty to be levied on the short fall of AT&C loss (Sl. No. 5x6)	Rs. Cr.	41.40

2.3. Aggregate Revenue Requirement and Revenue Gap/(Surplus) for Review of True up FY 2022-23

2.3.1. The Commission in this review Order further recomputes the Gap/(Surplus), for FY 2022-23, as detailed below:

Table 8: Approved Aggregate Revenue Requirement for Review of True up for FY2022-23 (Revised)

<i>(Rs Crore)</i>				
Serial No.	Particulars	Tariff Order for FY 2022-23 (Approved dated 25.03.22)	True-Up for FY 2022-23 (Approved dated 18.10.24)	Review of True-Up for FY 2022-23 (Approved)
1	Power Purchase cost	856.32	850.51	850.51
2	Transmission Charges (PGCIL)	68.38	103.11	103.11
3	Transmission Charges (MePTCL)	73.49	73.49	73.49
	Less RRAS Settlement		-0.27	-0.27
4	Employee Expenses	182.86	240.18	240.18
5	Repair & Maintenance Expenses	6.46	6.62	6.62
6	Administration & General Expenses	12.63	17.18	17.18
7	Depreciation	0	2.58	2.58
8	Interest and Finance charges	10.14	9.27	9.27
9	Interest on working capital	23.77	25.95	27.10

Serial No.	Particulars	Tariff Order for FY 2022-23 (Approved dated 25.03.22)	True-Up for FY 2022-23 (Approved dated 18.10.24)	Review of True-Up for FY 2022-23 (Approved)
10	Return on Equity	0	2.38	2.38
11	Exceptional Expense	-		
12	Bad & Doubtful Debt	0	0.00	0.00
	Gross Annual Revenue Requirement (ARR)	1234.05	1330.99	1332.15
13	Less: Non-Tariff Income and Other Income	104.71	90.58	90.58
14	Less: Sale of Surplus Power	395.72	74.31	74.31
15	Less: Penalty for AT&C loss		96.68	41.40
16	Net ARR	733.62	1069.42	1125.86
17	Add: True up Gap/(Surplus) for FY 2018-19	-15.88	-15.88	-15.88
18	Add: True up Gap for FY 2019-20	179.43	179.43	179.43
19	Total ARR recoverable for FY 2022-23 (excluding Pension Liability)	897.17	1232.97	1289.41
19	Comprehensive Income/ Expenses (Pension)		0.00	0.00
20	Comprehensive Income/ Expenses (1/3 MeECL) (Pension)		0.63	0.63
21	Total ARR recoverable for FY 2022-23 (including Pension Liability)		1233.60	1290.03
22	Revenue from Sale of Power		1093.51	1093.51
23	Total Gap / (Surplus) for FY 2022-23 (including Pension Liability)		140.09	196.53

2.4. Order of the Commission

- 2.4.1. The Commission approves total Gap at Rs. 196.53 Crore for Review of True up of Distribution Business for FY 2022-23 and the differential amount shall be appropriated in the subsequent Tariff Orders.
- 2.4.2. The Review petition of Meghalaya Power Distribution Company Limited (MePDCL) is hereby disposed of.
- 2.4.3. A copy of the Order shall be posted in the official website of the Commission.
- 2.4.4. MePDCL shall download the copy of the Order from the website of the Commission and act on it.

Sd/-
Ramesh Kumar Soni
Member (Law)

Sd/-
Chandan Kumar Mondol,
Chairman