



M S E R C
MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION SHILLONG

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

Order on Case No. 09 of 2024

**Petition of the Meghalaya Power Distribution Corporation Ltd for approval of
Revised Aggregate Revenue Requirement for FY 2025-26 & Distribution Tariff for
2025-26**

Coram

Shri. Chandan Kumar Mondol, Chairman

Shri. Ramesh Kumar Soni, Member (Law)

Petitioner:

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

Order

(Dated: 24.03.2025)

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

The 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 MePDCL, suggestions/objections received from the stakeholders upon public consultation process, and upon considering all other

relevant material herein, has already issued Order for true-up of Distribution Business for FY 2022-23 dated 18.10.2024.

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 MePDCL has filed petition for True-Up of Distribution Business for the FY 2023-24 & and Revised ARR for FY 2025-26 and Distribution Tariff for FY 2025-26 on 29th November 2024.

This Commission had admitted the application provisionally on 04.12.2024, with a direction to MePDCL that an abstract of the Petition should be published in two consecutive issues in local dailies in Khasi, Jaintia, Garo and English. The Petitions were registered as under:

- MSERC Case No. 09 of 2024: Approval of Revised ARR for FY 2025-26 and Distribution Tariff for FY 2025-26 of MePDCL.

Further, the Commission taking into consideration all the facts, additional information/data and after prudence check of the claims as per the MYT Regulations, approves the Revised ARR for FY 2025-26 and Distribution Tariff for FY 2025-26 and the detailed analysis is presented subsequently in this Order.

Sd/-

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

Sd/-

**Chandan Kumar Mondol,
Chairman**

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1. Background and Brief History

1.1. Background

- 1.1.1. The power distribution in the state of Meghalaya is carried out by Meghalaya Power Distribution Corporation Limited (MePDCL), 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. 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 Distribution Corporation Limited (MePDCL) (*herein referred to as "Petitioner"*) has started functioning as a segregated commercial operation utility independently for power distribution in the state of Meghalaya with effect from 1st April 2013.
- 1.1.4. The Meghalaya State Electricity Regulatory Commission (*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.

1.2. 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 along with its subsequent amendments has filed its application for Revised ARR for FY 2025-26 and determination of Distribution Tariff for FY 2025-26 dated 29.11.2024.
- 1.2.2. This Commission dated 04.12.2024 had admitted the Petition provisionally directing MePDCL to publish abstract of the Petition in two consecutive issues in local dailies in Khasi, Jaintia, Garo and English.
- 1.2.3. Subsequently on 09.12.2024 and 10.12.2024 abstract of the Petition were published in The Shillong Times- Shillong Edition, U Nongsain Hima and Salantini Janera, inviting objections/suggestions from stakeholders within 30 (thirty) days from the date of publication. Commission extended the last date for filing Objections/Suggestions from 07.01.2025 to 23.01.2025.

- 1.2.4. Subsequently, on 07.01.2025, Commission received Additional Submission by MePDCL viz. Levy of Additional Surcharge to the Consumers availing Open Access and admitted the additional submission dated 07.01.2025 with a direction to MePDCL to publish the same in the MeECL website for views and comments of stakeholders.
- 1.2.5. The Petitioner submitted an Addendum to the Petition related to Determination of Green Energy Tariff, Connection charge, TOD metering etc. on 27.01.2025. Accordingly, Commission admitted the Addendum dated 27.01.2025 with a direction to MePDCL to publish the same in the newspaper for views and comments of stakeholders.
- 1.2.6. This Commission, during the process of evaluating the submitted application for Revised ARR and Retail supply tariff of Distribution Business for FY 2025-26, had received objections/suggestions from Star Cement Meghalaya Limited dated 17.01.2025, from Maithan Alloys Ltd. dated 20.01.2025, from Dalmia Cement (Bharat) Ltd. dated 23.01.2025 on Additional Surcharge, from Byrnihat Industries Association (BIA) dated 23.01.2025 on True-Up and Revised ARR petition. Further, BIA dated 05.02.2025, submitted its objections/suggestions on the additional submission dated 07.01.2025 and on 14.02.2025 submitted objections/suggestions against Addendum dated 27.01.2025. The Petitioner has accordingly submitted its replies / responses to the issues raised by the stakeholders during the process which has been noted by this Commission.
- 1.2.7. This Commission on 07.02.2025 and 10.02.2025 published notices for Public Hearing in the daily locals viz Shillong Times, Shillong & Tura Edition and U Nongsain Hima.
- 1.2.8. On 05.03.2025, due consultative process through public hearing of the submitted Petition for Revised Aggregate Revenue Requirement for FY 2025-26 and Distribution Tariff for FY 2025-26 was concluded and the Petitioner and the stakeholders were directed for submission of the objections/ suggestions.
- 1.2.9. On 13.03.2025, after public hearing, the Commission received additional objections/suggestions from Byrnihat Industries Association (BIA).
- 1.2.10. 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.
- 1.2.11. Further, the apportionment of MeECL expenses shall be regulated as per the Commission's previous notifications and directives subject to prudence check.

2. Summary of Petition for Revised ARR and Retail Tariff for FY 2025-26

2.1. Revised Aggregate Revenue Requirement (ARR) for FY 2025-26

2.1.1. Meghalaya Power Distribution Corporation Limited (MePDCL) has submitted the Petition seeking approval of Revised Aggregate Revenue Requirement for FY 2025-26 and Determination of Distribution Tariff for FY 2025- 26. MePDCL has projected the Revenue Requirement for the Control period as per the response of the Additional Information as depicted below:

Table 1: Proposed ARR for FY 2025-26 (Rs. Cr.)

Particulars	FY 2025-26
Power Purchase Expenses	1739.31
Return on Equity	17.03
Interest on Loan	23.87
O&M Expenses	222.87
Depreciation	5.77
Interest on Working Capital	39.8
Gross ARR	2048.65
Less: Non-Tariff Income	50.42
Less: Revenue from Sale of Surplus Power	485.76
Net ARR	1512.47

2.2. Revenue at Current tariffs

2.2.1. The revenue at Current Tariff is calculated based on the current tariff and projected sale of energy category wise for the 2nd year of Control period i.e., FY 2025-26. The detailed calculation of revenue at current tariff is shown in the below table. The total revenue at current tariff works out to Rs. 1817.14 Cr. for FY 2025-26.

Table 2: Proposed Calculation of Revenue at Existing Tariff for FY 2025-26

Sl. No.	Category of Consumer	No of Consumers	Connected Load	Sales (MU)	Fixed Charges	Energy Charges	Fixed Charges- Revenue (Rs Cr)	Energy Charges - Revenue (Rs Cr)	Total Revenue (Rs Cr)
1	Domestic (DLT)	417022.00	759306.98	424.76	90.00		82.01	241.49	323.50
2	Commercial (CLT)	43499.00	119713.10	105.38	150		21.55	82.15	103.69
3	Industrial (ILT)	857.00	10812.58	6.99	150	7.2	1.95	5.03	6.98
4	Agriculture (Ape)	22.00	135.06	0.15	130	3.25	0.02	0.05	0.07
5	Public Lighting (PL)	90.00	1787.66	1.19	150	5.49	0.32	0.65	0.98
6	Water Supply (WSLT)	551.00	7974.09	10.38	150	7.95	1.44	8.26	9.69
7	General Purpose	2817.00	19509.07	15.50	150	7.89	3.51	12.23	15.74
8	BPL	275166.00	248783.32	128.72	210		69.34		131.47
9	Crematorium (CRM)	1.00	163.91	0.20	7510	5.12	0.01	0.10	0.11

Sl. No.	Category of Consumer	No of Consumers	Connected Load	Sales (MU)	Fixed Charges	Energy Charges	Fixed Charges-Revenue (Rs Cr)	Energy Charges - Revenue (Rs Cr)	Total Revenue (Rs Cr)
10	Domestic HT	156.00	23638.48	25.24	310	6.48	8.79	16.36	25.15
11	Water Supply (WSHT)	82.00	16774.82	40.66	310	8.3	6.24	33.74	39.98
12	Bulk Supply (BS)	253.00	57997.93	83.31	310	7.55	21.58	62.90	84.47
13	Commercial (CHT)	230.00	27594.51	33.03	310	7.12	10.27	23.52	33.78
14	Industrial (IHT)	275.00	181587.72	177.22	310	6.51	67.55	120.27	187.82
15	Ferro Alloy	3.00	25169.21	169.62	250	6.47	7.55	109.74	117.30
16	Industrial (EHT)	13.00	73524.44	350.53	310	9.43	27.35	330.55	357.90
17	Ferro Alloy (EHT)	4.00	87047.40	586.63	250	6.41	26.11	376.03	402.14
	Electric Vehicle	43.00	2064.00	8.92		8.5		7.58	7.58
	Total	741084.00		2168.43					1843.46

2.3. Revenue from Sale of Surplus Power

- 2.3.1. As per the Table 35 in the instant petition, the Petitioner expected to have surplus power after meeting the State demand. The Petitioner has considered the Average Cost of Supply considering revenue at revised sales as the rate for sale of surplus power.

Table 3: Proposed Revenue from Sale of Surplus Power for FY 2025-26

Particular	FY 2025-26 (Projected)
Surplus Energy (MU)	483.00
Rate of Surplus Energy (Rs/Unit)	10.06
Revenue from Sale of Surplus Energy (Rs Cr.)	485.76

2.4. Revenue Gap for FY 2025-26

- 2.4.1. Based on the ARR projected above as per Additional submission and the estimation of revenue at existing tariff the gap projected for the FY 2025-26 is tabulated as under:

Table 4: Proposed projected Revenue Gap for FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	Amount
1	Aggregate Revenue Requirement for FY 2025-26	1512.69
2	Revenue At Existing Tariff	1817.14
3	Stand Alone Gap for FY 2025-26	(304.45)
4	Add True Up Gap/(Surplus) for FY 2023-24	554.48
5	Add O&M expenses Pertaining to Accrued Terminal Liabilities	113.81
6	Total Gap	363.84

3. Revised Aggregate Revenue Requirement for FY 2025-26

3.1. Tariff Regulations

- 3.1.1. Under Section 61 of Electricity Act 2003, the Commission has to specify terms and conditions for determination of tariff and in doing so it shall be guided by the following:
- a) The principles and methodology specified by CERC for determination of Generation, Transmission and Distribution tariff.
 - b) Business of generation, transmission and distribution are to be conducted on commercial principles.
 - c) The factors which encourage development, competition efficiency, good performance and optimum investments.
 - d) Safeguarding consumers interest and at the same time recovery of the cost of electricity in a reasonable manner.
 - e) Principles regarding efficiency in the performance.
 - f) Multiyear tariff principles based on efficiency target.
 - g) Tariff should reflect cost of supply progressively.
 - h) Promotion of generation from renewable energy.
 - i) National Electricity Policy and Tariff policy

3.2. Determination of Tariff

- 3.2.1. Section 62 (3) of EA 2003 specifies that –

“....

the appropriate commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.”

- 3.2.2. Section 65 of EA 2003 – Provision of subsidy by state Government states that-

“If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the state Commission may direct, as a condition for the licensee or any other person concerned to implement the subsidy provided for by the State Government. PROVIDED that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by the State

Commission shall be applicable from the date of issue of Orders by the Commission in this regard."

3.3. Regulatory Accounts

- 3.3.1. The Licensee shall maintain and file Regulatory accounts along with Tariff Petition and True up petition based on the Regulatory accounts as mandated in Regulation 4.2 (c) of MSERC (Multi Year Tariff) Regulations 2014.

3.4. Energy Sales

- 3.4.1. As per Regulations, proper estimation of category-wise energy sales for FY 2025-26 is essential to arrive at the quantum of power to be purchased and the likely revenue from sale of energy.
- 3.4.2. This Section examines details of consumer category-wise energy sales projected by petitioner in its Petition for FY 2025-26 for approval of ARR.

3.5. Category wise Number of Consumers

Petitioner's Submission

- 3.5.1. The Petitioner has projected the number of consumers, as shown in the table below:

Table 5: Projected Number of consumers for FY 2025-26 (nos.)

Sl. No	Category	FY 2025-26
A	LT Category	
1	Domestic	417022
2	Commercial	43499
3	Industrial	857
4	Agriculture	22
5	Public Lighting	90
6	Water Supply	551
7	General purpose	2817
8	Kutir Jyoti	275166
9	Crematorium	1
	Sub Total (A)	740025
B	HT Category	
1	Domestic	156
2	Water Supply	82
3	Bulk Supply	253
4	Commercial	230
5	Industrial	275
6	Ferro Alloys	3
	Sub Total (B)	999
	EHT Category	
1	Industrial	13
2	Ferro Alloys	4
3	Electric Vehicle	43

Sl. No	Category	FY 2025-26
	Sub Total (C)	60
	Grand Total	741084

Commission's Analysis:

- 3.5.2. The Commission has noted that the Petitioner has projected its number of consumers for FY 2025-26, as approved in the Business Plan vide Order dated 16.11.2023. It is important to highlight that, according to the aforementioned Order, the Commission had advised that the energy consumption for Ferro Alloys consumers to be shown separately. In this context, the Commission acknowledges that the slight increase in the number of consumers projected by the Petitioner for FY 2025-26, compared to the Approved Business Plan, is attributed to the increase in the number of consumers in the Water Supply (WSLT) category and the inclusion of Ferro Alloy (HT) and Ferro Alloy (EHT) categories.
- 3.5.3. Commission has accordingly considered category wise no. of consumers for FY 2025-26 as claimed by the Petitioner in the Revised ARR petition for FY 2025-26.

Table 6: Approved Number of consumers for FY 2025-26 (nos.)

Sl. No	Category	FY 2025-26
A	LT Category	
1	Domestic	417022
2	Commercial	43499
3	Industrial	857
4	Agriculture	22
5	Public Lighting	90
6	Water Supply	551
7	General purpose	2817
8	Kutir Jyoti	275166
9	Crematorium	1
	Sub Total (A)	740025
B	HT Category	
1	Domestic	156
2	Water Supply	82
3	Bulk Supply	253
4	Commercial	230
5	Industrial	275
6	Ferro Alloys	3
	Sub Total (B)	999
	EHT Category	
1	Industrial	13
2	Ferro Alloys	4
3	Electric Vehicle	43
	Sub Total (C)	60
	Grand Total	741084

3.6. Connected Load

Petitioner's Submission

- 3.6.1. The Petitioner has projected the connected load (in kVA) as shown in the table below:

Table 7: Proposed Connected Load for FY 2025-26

Sl. No.	Category	FY 2025-26
A	LT Category	
1	Domestic	759306.98
2	Commercial	119713.1
3	Industrial	10812.58
4	Agriculture	135.06
5	Public Lighting	1787.66
6	Water Supply	7974.09
7	General purpose	19509.07
8	Kutir Jyoti	248783.32
9	Crematorium	163.91
	Sub Total (A)	1168185.77
B	HT Category	
1	Domestic	23638.48
2	Water Supply	16774.82
3	Bulk Supply	57997.93
4	Commercial	27594.51
5	Industrial	181587.72
6	Ferro Alloys	25169.21
	Sub Total (B)	332762.67
C	EHT Category	
1	Industrial	73524.44
2	Ferro Alloys	87047.4
3	Electric Vehicle	2064
	Sub Total (C)	162635.84
	Grand Total	1661520.26

Commission's Analysis:

- 3.6.2. The Commission has observed that the connected load projected by the Petitioner for FY 2025-26 has been considered as per the Business Plan approved vide Order dated 16.11.2023 in Case No. 22 of 2023. Further, Commission noticed typographical error in the Total figure of Connected Load due to non-consideration of Connected Load of Electric Vehicle, while computing the summation.
- 3.6.3. **Accordingly, Commission approves the projection of category wise connected load for FY 2025-26 as tabled below:**

Table 8: Approved Connected Load for FY 2025-26

Sl. No.	Category	FY 2025-26
A	LT Category	
1	Domestic	759306.98

Sl. No.	Category	FY 2025-26
2	Commercial	119713.1
3	Industrial	10812.58
4	Agriculture	135.06
5	Public Lighting	1787.66
6	Water Supply	7974.09
7	General purpose	19509.07
8	Kutir Jyoti	248783.32
9	Crematorium	163.91
Sub Total (A)		1168185.77
B	HT Category	
1	Domestic	23638.48
2	Water Supply	16774.82
3	Bulk Supply	57997.93
4	Commercial	27594.51
5	Industrial	181587.72
6	Ferro Alloys	25169.21
Sub Total (B)		332762.67
C	EHT Category	
1	Industrial	73524.44
2	Ferro Alloys	87047.4
3	Electric Vehicle	2064
Sub Total (C)		162635.84
Grand Total		1663584.27

3.7. Distribution Loss

3.7.1. The Commission observes that the Petitioner had projected 16% Distribution Loss through the Revised Energy Balance for FY 2025-26 vide Table 35 of the petition. Accordingly, the Commission approves the Distribution Loss at 16.00% for FY 2025-26 as detailed out below:

Table 9: Approved Distribution losses for FY 2025-26

Distribution Loss	FY 2025-26
	(Approved for Revised ARR)
	16.00%

3.8. Energy Sales

Petitioner's Submission

3.8.1. The Petitioner submitted that the sales for FY 2025-26 was approved by the Commission based on the CAGR projections in the business plan Order. However, Petitioner further submitted that it has been observed that there are certain changes required which would revise the sales in upward directions. Petitioner's observation in this regard are as follows:

- a) The Petitioner further submitted that in the MYT ARR Order dated 24.10.2024 in Case No. 32 of 2023, the Commission had approved the Penalty and Rebate clause on the basis of load factor. The threshold limit for the load factor has been considered as 78% by the Commission. Accordingly, based on the projected connected load of Ferro Alloy Consumers the sales have been revised by the Petitioner by considering 78% load factor.
- b) In addition to the above, the Petitioner mentioned that Government of India has proposed 43 EV charging sub-stations under the revenue sharing scheme in the state of Meghalaya and the Petitioner has already got one proposal from EESL for construction of 25 Nos. of EV Charging stations at various locations in the state. The proposed capacity of each station is 48 kW. Accordingly, considering a load factor of 50%, an additional energy consumption of 8.92 MU has been estimated by the Petitioner.
- c) The Petitioner has also added that while computing the revenue from sale of power from the Domestic and Commercial Consumers, the Commission has considered % based on assumption to classify the consumption in slabs as approved by the Commission. However, based on the actual data of the first 6 month of the FY 2024-25, the Petitioner requested the Commission to consider the revised % for bifurcation of slab wise consumption. The revised % are tabulated below:

Domestic Consumers	%
0-100	59.5%
101-200	20.3%
Above 200	20.2%

Commercial Consumers	%
0-100	24%
101-200	76%

- d) The same % has been considered by the Petitioner for the domestic consumers for estimating the revenue from Kutir Jyoti Consumers. The working for energy charges from the three categories is as under:

Table 10: Proposed Computation of Revenue from Energy Charges (EC) - Domestic Consumers for FY 2025-26

Projected Sales for Domestic Consumers in FY 2025-26 (MU)	424.76
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Domestic Consumers	%	Consumption Slab Wise (MU)	Slab Wise EC(Rs/kWh)	Revenue from EC (Rs Cr)
0-100	59.5%	252.831	5.55	140.32
101-200	20.3%	86.206	5.65	48.71
Above 200	20.2%	85.727	6.12	52.46
Total				241.49

Table 11: Proposed Computation of Revenue from Energy Charges- Commercial Consumers for FY 2025-26

Projected Sales for Commercial LT Consumers in FY 2025-26 (MU)	105.38
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Commercial Consumers	%	Consumption Slab Wise (MU)	Slab Wise EC (Rs/kWh)	Revenue from EC (Rs Cr)
0-100	24%	25.16	7.62	19.17
101-200	76%	80.23	7.85	62.98
Total				82.15

Table 12: Proposed Computation of Revenue from Energy Charges- Kutir Jyoti Consumers for FY 2025-26

Projected Sales for Kutir Jyoti Consumers in FY 2025-26 (MU)	128.72
Projected No. of Consumers	275166.00
Threshold Consumption	30.00
Allowed Consumption	99.06
Consumption Projected	128.72
Excess Consumption	29.66

Domestic Consumers	%	Consumption Slab Wise (MU)	Slab Wise EC (Rs kWh)	Revenue from EC (Rs Cr)
0-100	60%	17.66	5.55	9.80
101-200	20%	6.02	5.65	3.40
Above 200	20%	5.99	6.12	3.66
Total				16.86

- e) While computing the revenue from IEHT and IHT consumers, Commission has not considered the impact of ToD for these consumers. The same has not been considered in the instant Petition and hence accordingly, the revenue has been revised for these consumers considering the impact of the ToD. The computation of EC of IHT and IEHT consumers is as under:

Table 13: Proposed Computation of Revenue from Energy Charges- IHT and IEHT Consumers for FY 2025-26

HT Consumption (MU)	177.22
IEHT Consumption (MU)	350.53

	IEHT (MU)	HT (MU)	% Consumption	Energy Charges HT (Rs Cr)	Energy Charges IEHT (Rs Cr)
Normal Tariff	9.43	6.51	35%	62.03	122.69
Peak Hour Tariff	11.316	7.812	40%	70.89	140.21
Off Peak	8.0155	5.5335	25%	44.31	87.63
				120.27	344.60

3.8.2. Accordingly, the energy sales (MUs) and revenue have been projected in the table below:

Table 14: Proposed Energy Sale projection for FY 2025-26

Sl. No.	Category of Consumer	No of Consumers	Connected Load (kVA)	Sales (MU)	Fixed Charges	Energy Charges	Fixed Charges-Revenue (Rs Cr)	Energy Charges - Revenue (Rs Cr)	Total Revenue (Rs Cr)
1	Domestic (DLT)	417022.00	759306.98	424.76	90.00		82.01	241.49	323.50
2	Commercial (CLT)	43499.00	119713.10	105.38	150		21.55	82.15	103.69
3	Industrial (ILT)	857.00	10812.58	6.99	150	7.2	1.95	5.03	6.98
4	Agriculture (Ape)	22.00	135.06	0.15	130	3.25	0.02	0.05	0.07
5	Public Lighting (PL)	90.00	1787.66	1.19	150	5.49	0.32	0.65	0.98
6	Water Supply (WSLT)	551.00	7974.09	10.38	150	7.95	1.44	8.26	9.69
7	General Purpose	2817.00	19509.07	15.50	150	7.89	3.51	12.23	15.74
8	BPL	275166.00	248783.32	128.72	210		69.34		86.21
9	Crematorium (CRM)	1.00	163.91	0.20	7510	5.12	0.01	0.10	0.11
10	Domestic HT	156.00	23638.48	25.24	310	6.48	8.79	16.36	25.15
11	Water Supply (WSHT)	82.00	16774.82	40.66	310	8.3	6.24	33.74	39.98
12	Bulk Supply (BS)	253.00	57997.93	83.31	310	7.55	21.58	62.90	84.47
13	Commercial (CHT)	230.00	27594.51	33.03	310	7.12	10.27	23.52	33.78
14	Industrial (IHT)	275.00	181587.72	177.22	310	6.51	67.55	120.27	187.82
15	Ferro Alloy	3.00	25169.21	169.62	250	6.47	7.55	109.74	117.30
16	Industrial (EHT)	13.00	73524.44	350.53	310	9.43	27.35	344.60	371.95
17	Ferro Alloy (EHT)	4.00	87047.40	586.63	250	6.41	26.11	376.03	402.14
	Electric Vehicle	43.00	2064.00	8.92		8.5		7.58	7.58
	Total	741084.00	1661520.26	2168.43					1817.14

Respondents' submission in this regard

3.8.3. BIA has objected that no details have been submitted to substantiate the claim of revised sales basis. The computation of revenue from energy charges for domestic consumers, commercial consumers and Kutir Jyoti consumers

based on the respective projected sales is therefore required to be subjected to prudence check upon submission of all relevant/verifiable documents. BIA has further requested that such prudence check upon submission of relevant data may also be required while computing the revenue from IEHT and IHT consumers in the State for whom the impact of 'ToD' has been stated to be considered by the Petitioner in the computation given in Table 33 of the instant petition. Accordingly, revised revenue projections at existing tariff may be examined for approval.

- 3.8.4. Therefore, BIA requested a prudence check of Energy Balance for FY 2025-26 too.

MePDCL's Response to Respondent's submissions

- 3.8.5. The Petitioner submitted that all the computation sheets related to load factor wise, and slab wise claim of Projected sales have been submitted before the Commission.

Commission's Analysis:

- 3.8.6. The Commission has noted both the submissions of the Petitioner and the Respondent. The Commission is of the view that the projected sales of MePDCL for FY 2025-26 is on the higher side while Commission had a holistic view of actual sales of MePDCL for the past years. It is also pertinent to mention that additional sales towards Electric Vehicle have been projected for FY 2025-26. The Commission has now realigned or projected the sales for FY 2025-26 viz a viz approved energy sales vide Business Plan vide Order dated 16.11.2023.
- 3.8.7. Accordingly, the Commission has approved the projected sale for FY 2025-26 subjected to revision during true-up of FY 2025-26 as tabled below:

Table 15: Approved Category-wise Energy Sale (MU) for FY 2025-26

Sl. No.	Category	FY 2025-26
A	LT Category	
1	Domestic	413.38
2	Commercial	98.50
3	Industrial	6.62
4	Agriculture	0.14
5	Public Lighting	1.14
6	Water Supply	9.89
7	General purpose	15.44
8	Kutir Jyoti	122.69
9	Crematorium	0.19
	Sub Total (A)	667.99
B	HT Category	
1	Domestic	24.09
2	Water Supply	42.72
3	Bulk Supply	81.37

Sl. No.	Category	FY 2025-26
4	Commercial	32.27
5	Industrial	161.11
6	Ferro Alloys	132.13
	Sub Total (B)	473.69
C	EHT Category	
1	Industrial	345.00
2	Ferro Alloys	467.84
3	Electric Vehicle	8.92
	Sub Total (C)	821.76
	Total	1963.45

3.9. Energy Availability

Petitioner's Submission

3.9.1. MePDCL's projection of the Energy availability for FY 2025-26 vide Table 29 of the petition is tabulated below:

Table 16: Proposed Energy Availability and Power Procurement Plan for FY 2025-26 (MU)

Sl. No.	Name of Station	Projected Availability
A	MePGCL	
1	Umiam -I	114.61
2	Umiam -II	45.45
3	Umiam -III	0.00
4	Umiam -IV	203.90
5	MLHEP	478.71
6	Umtru	0.00
7	Sonapani	4.94
8	New Umtru	231.48
9	Ganol	66.20
10	Lakroh	10.87
11	Riangdo	8.00
12	MLHEP-II	0.00
	Sub-Total MePGCL	1164.14
B	NEEPCO	
1	Kopili	106.8
2	Kopili-Ext	10.1
3	Khandong	26.8
4	Ranganadi	162.9
5	Doyang	19.8
6	AGBPP	209.9
7	AGTPP CC	122.5
8	Pare	71.0
9	Kameng	58.9
	Sub-Total NEEPCO	788.72
1	Subhansiri	183.36
2	Loktak	84.37

Sl. No.	Name of Station	Projected Availability
C	Sub-Total NHPC	183.36
D	OTPC-Palatana	500.54
E	NTPC	
1	BTPS	578.16
2	FSTPS	0.00
3	KHSTPS-I	0.00
4	KHSTPS-II	0.00
5	TSTPS-II	0.00
F	Sub-Total NTPC	578.16
G	Total	3214.92

Commission's Analysis:

- 3.9.2. The Commission has observed that the Petitioner has submitted the Energy Availability as approved in MYT Order for FY 2025-26 dated 24.10.2024 except NHPC Loktak project. The Petitioner has anticipated additional capacity from NHPC Subansiri project for FY 2025-26, the Petitioner claimed 84.37 MUs energy availability, although the Commission identified that this said source has not been included under the total Energy availability projection.
- 3.9.3. The Commission vide First Additional Information requirement dated 02.01.2025 directed the Petitioner to provide the details of Power purchase for Revised ARR. In response, the Petitioner submitted the Energy Availability projection with a revised estimation of energy availability from NHPC Loktak of 140.78 MUs.
- 3.9.4. The Commission considers the Net generation capacity of MePGCL plants, based on the Design energy for FY 2025-26. Moreover, the energy availability from Riango power plant is considered as per previous MYT Order dated 24.10.2024, approved by the Commission.
- 3.9.5. Accordingly, the Commission approves the Energy Availability projection for FY 2025-26 are as follows:

Table 17: Approved Energy Availability and Power Procurement Plan for FY 2025-26

Sl. No.	Name of Station	Projected Availability (MU) (Claimed) for FY 2025-26	Projected Availability (MU) (Approved) for FY 2025-26
A	MePGCL		
1	Umiam -I	114.61	114.61
2	Umiam -II	45.45	45.45
3	Umiam -III	0.00	0.00
4	Umiam -IV	203.90	203.90
5	MLHEP	478.71	478.71
7	Sonapani	4.94	4.94
8	New Umtrum	231.48	231.48
9	Ganol	66.20	66.20

Sl. No.	Name of Station	Projected Availability (MU) (Claimed) for FY 2025-26	Projected Availability (MU) (Approved) for FY 2025-26
10	Lakroh	10.87	10.87
11	Riangdo	8.00	8.00
12	MLHEP-II	0.00	0.00
Sub-Total MePGCL		1164.14	1164.14
B	NEEPCO		
1	Kopili	106.80	106.80
2	Kopili-Ext	10.10	10.10
3	Khandong	26.80	26.80
4	Ranganadi	162.90	162.90
5	Doyang	19.80	19.80
6	AGBPP	209.90	209.90
7	AGTPP CC	122.50	122.50
8	Pare	71.00	71.00
9	Kameng	58.90	58.90
Sub-Total NEEPCO		788.72	788.72
1	Subhansiri	183.36	183.36
2	Loktak	140.78	140.78
C	Sub-Total NHPC	183.36	324.14
D	OTPC-Palatana	500.54	500.54
E	NTPC		
1	BTPS	578.16	578.16
2	FSTPS	0.00	0.00
3	KHSTPS-I	0.00	0.00
4	KHSTPS-II	0.00	0.00
5	TSTPS-II	0.00	0.00
F	Sub-Total NTPC	578.16	578.16
G	Total	3214.92	3,355.70

- 3.9.6. **The Commission approves the Ex-bus Power Availability of 3,355.70 MUs as estimated excluding swapping and bilateral procurement for FY 2025-26.**
- 3.9.7. The Commission hereby directs the Petitioner to furnish source-wise actual power purchase quantum up to October of that year for which the Petition is being filed for assessing of actual energy availability for ARR/MYT Order from next True Up filing of FY 2024-25.

3.10. Power Purchase Cost

Petitioner's Submission

- 3.10.1. The Petitioner submitted that the total power purchase expenses approved by the Commission in the Order dated 24.10.2024 in Case No. 32 of 2023 were based on the actual rates of FY 2023-24. However, Petitioner mentioned that the actual rates of power procured from long term sources outside the

state are lower than the approved rates by the Commission. Further, the power purchase expenses allowed for MePGCL and the expense of MePTCL network were based on the true up of FY 2022-23. Since, MePGCL and MePTCL are filing the true up petition for FY 2023-24 and revision of tariff for FY 2025-26, so the cost claimed in the respective petitions by the two companies has been considered as the power purchase cost for FY 2025-26.

- 3.10.2. The Petitioner has submitted the rates of power procured during the first 6 months of FY 2024-25 as tabulated below:

Table 18: Proposed Actual Rates of Power Procurement in H1 of FY 2024-25

Sl. No	Station	Energy Procured	Fixed Cost	Variable Cost	Other Charges	Total Cost	Energy Charges Rs./kWh
1	Loktak	42.19	6.08	8.21	0.03	14.32	1.95
2	Kopili	38.67	0.00	9.09	0.10	9.19	2.35
3	Kopili Ext	7.80	0.71	1.16	0.01	1.88	1.49
4	RHEP	82.42	12.15	11.56	2.47	26.19	1.40
5	DHEP	20.02	5.18	6.98	0.02	12.18	3.49
6	AGBPP	58.00	19.13	27.40	0.09	46.62	4.72
7	AGTCCPP	23.43	6.84	10.27	0.04	17.15	4.38
8	Pare	33.44	0.00	17.86	0.04	17.90	5.34
9	Kameng	41.06	0.00	16.43	0.04	16.46	4.00
10	Bongaigaon	226.69	68.13	91.06	0.18	159.37	4.02
11	OTPC	190.41	24.27	39.90	0.38	64.55	2.10
	Transmission Charges						
	PGCIL		91.65				
	POSOCO		1.37				

- 3.10.3. Accordingly, the Petitioner has submitted the revised Power Purchase Expenses for FY 2025-26 as under:

Table 19: Proposed Power Purchase Cost for FY 2025-26

Source	Projected Procurement (MU)	Fixed Cost	Energy Charges	Total Cost	Rate Rs./kWh
Kopili	106.82	12.15	1.95	32.93	3.08
Kopili-Ext	10.12	0.00	2.35	2.38	2.35
Khandong	26.82	1.42	1.49	5.40	2.02
Ranganadi	162.88	0.00	0.00	0.00	0.00
Doyang	19.76	24.31	1.40	27.08	13.70
AGBPP	209.89	10.36	3.49	83.53	3.98
AGTPP CC	122.48	38.26	4.72	96.12	7.85
Pare	71.03	13.68	4.38	44.80	6.31
Kameng	58.93	0.00	5.34	31.48	5.34
Sub-Total NEEPCO	788.72			323.72	4.10

Source	Projected Procurement (MU)	Fixed Cost	Energy Charges	Total Cost	Rate Rs./kWh
Subansiri	183.36	46.17	1.95	81.84	4.46
Loktak	84.37	12.15	1.95	28.57	3.39
Sub-Total NHPC	183.36		1.95	81.84	4.46
Bongaigaon NTPC	578.16	127.00	4.02	359.24	6.21
Sub-Total NTPC	578.16		4.02	359.24	6.21
OTPC	500.54	48.55	2.10	153.43	3.07
Sub-Total OTPC	500.54		2.10	153.43	3.07
Umiam -I	114.61				
Umiam -II	45.45				
Umiam -III	0.00				
Umiam -IV	203.90				
MLHEP	478.71				
Umtru	0.00				
Sonapani	4.94				
New Umtru	231.48				
Ganol	66.20		4.77	31.58	
Lakroh	10.87				
Riangdo	8.00				
MLHEP-II	0.00				
Sub Total MePGCL	1164.14			599.45	5.15
Transmission Charges MePTCL				128.62	
Transmission Charges PGCIL				91.65	
POSOCO Charges				1.37	
Total Power Purchase Expenses	3214.92			1739.31	5.41

Respondents' submission in this regard

- 3.10.4. BIA has highlighted that power purchase cost from Ganol HEP is not included in the Petition submitted by Generation company.
- 3.10.5. Moreover, BIA has also pointed out a discrepancy such that the generation utility has claimed a power purchase cost of Rs. 567.88 Cr. for FY 2025-26, the Petitioner has claimed Rs. 599.45 Cr. in its tariff Petition, without providing any justification for the higher cost projected compared to MePGCL petition. In this regard, BIA has requested that the power purchase cost requires reconciliation and prudence check.
- 3.10.6. With regards to FPPA, BIA while citing Regulation 90 of the MYT Regulations, 2014, pointed out that it is the responsibility of the generating company or licensee to provide a formula for FPPPA recovery or refund in their Tariff Petition.

BIA urged to the Commission that to enforce FPPPA to avoid the revising power purchase cost, because any variations can be addressed through the FPPPA and thereby sudden tariff increase can be prevented.

- 3.10.7. With regards to the RPO Compliance, BIA submitted that the Petitioner has failed to provide any details on meeting the RPO and has thus failed to demonstrate compliance with the Regulations. Additionally, the approved solar power procurement has not been accounted for in the revised power purchase Table.
- 3.10.8. BIA has further requested the Commission to enforce the Resource Adequacy Guidelines.
- 3.10.9. BIA proposed Rs 1,508.59 Cr power purchase cost for 3,214.92 MUs procurement at Rs 4.69/unit average cost.

MePDCL's Response to Respondent's submissions

- 3.10.10. The Petitioner has submitted that the Commission has approved the tariff for Ganol separately in FY 2024-25 with a levelized tariff of Rs. 4. 77 / kWh which is not a part of the current Petition filed by MePGCL.
- 3.10.11. The Petitioner further submitted that the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formulae has already been approved by the Commission in the MYT Order dated 24.10.2024. However, this has nothing to do with the revision in the power purchase cost (PPC) on year-on-year basis as the PPC approved by Hon'ble Commission in respective year will form a base for FPPAS computation in that respective year.
- 3.10.12. In context of RPO compliance, the Petitioner submitted that the RPO compliance is a different subject and is covered under MSERC (RPO) Regulations for which the Petitioner is submitting the compliance report as per the provisions of the aforesaid Regulations.

Commission's Analysis:

- 3.10.13. The Commission acknowledges the submission of BIA and hereby the Commission takes due cognizance of the fact that the Commission has published MSERC (Framework for Resource Adequacy) Regulations, 2023 dated 09.05.2024. The Commission directs MePDCL to submit a report on its plan of action for Resource Adequacy Action plan within the next 6 months.
- 3.10.14. Commission notes Petitioner's submission in response to First Additional Information requirement dated 02.01.2025 that it anticipates additional capacity from NHPC Subhansiri project only with allocated capacity of 49.5 MW.

3.10.15. The Commission has observed that the Petitioner requested to approve Rs 1608.09 Crore against the power purchase expenses for FY 2025-26, whereas Table 29 of the instant petition indicates a projection of power purchase expense of Rs 1739.31 Crore. In this context, the Commission vide Second Additional Information requirement dated 02.02.2025, directed the Petitioner to clarify this inconsistency and justify its claim describing the projection methodologies/ principles and calculation to arrive at power purchase figure for FY 2025-26.

The Petitioner, in response, requested that due to inadvertent typographical error the figure of Rs. 1608.09 is occurring in the write up below the power purchase table. The Petitioner further submitted that the power purchase expenses claimed is Rs. 1739.21 Crore which is based on the H1 rates of FY 2024-25, for which the month wise details have already been submitted along with the reply of First Additional Information.

In this regard, the Commission observed inconsistency in the Submission of the Petitioner related to Power purchase as follows:

- a) The Petitioner claimed Rs 1739.31 Cr in the Original Petition vide Table 29 of the petition.
- b) In the response to First Additional Information received dated 20.02.2025, the Petitioner has submitted a claim of Rs 1917.93 Cr against power purchase expenses.
- c) In response to Second Additional Information received dated 17.03.2025, the Petitioner has again claimed Rs. 1739.21 Cr based on the H1 rates of FY 2024-25.

The Commission takes due cognizance of such inconsistencies, and that the Petitioner has not maintained its data related to Tariff proceedings in a proper and accurate manner.

The Commission considers the response of the First Additional Information received on 20.02.2025 as the final claim of the Petitioner related to both H1 rates of FY 2024-25 and the corresponding projection of Power Purchase expense for FY 2025-26, as depicted below:

Table 20: Proposed Modified PPC submitted by MePDCL for FY 2025-26

Source	Projected Procurement (MU)	Fixed Cost	Energy Charges With 0% Escalation Except MePGCL	Total Cost	Rate Rs./kWh
Kopili	106.82	0.00	2.35	25.10	2.35
Kopili-Ext	10.12	2.15	1.44	3.60	3.56
Khandong	26.82	2.15	1.44	6.00	2.24
Ranganadi	162.88	36.44	1.40	59.29	3.64
Doyang	19.76	16.55	3.49	23.44	11.86
AGBPP	209.89	56.28	4.73	155.46	7.41

Source	Projected Procurement (MU)	Fixed Cost	Energy Charges With 0% Escalation Except MePGCL	Total Cost	Rate Rs./kWh
AGTPP CC	122.48	20.31	4.39	74.06	6.05
Pare	71.03	0.00	5.34	37.95	5.34
Kameng	58.93	0.00	4.00	23.57	4.00
Sub-Total NEEPCO	788.72			408.47	5.18
Subhansiri	183.36	69.48	1.80	102.53	5.59
Loktak	140.78	18.29	1.80	43.66	3.10
Sub-Total NHPC	183.36		1.80	102.53	5.59
Bongaigaon NTPC	578.16	127.00	3.85	349.58	6.05
Sub-Total NTPC	578.16		3.85	349.58	6.05
OTPC	500.54	76.43	2.10	181.49	3.63
Sub-Total OTPC	500.54		2.10	181.49	3.63
Umiam -I	114.61				
Umiam -II	45.45				
Umiam -III	0.00				
Umiam -IV	203.90				
MLHEP	478.71				
Umtru	0.00				
Sonapani	4.94				
New Umtru	231.48				
Ganol	66.20		4.77	31.58	
Lakroh	10.87				
Riangdo	8.00				
MLHEP-II	0.00				
Sub Total MePGCL	1164.14	425.07		599.45	5.15
Transmission Charges MePTCL				162.25	
Transmission Charges PGCIL				112.14	
Transmission Charges Sterlite				0.00	
POSOCO Charges				2.04	
Total Power Purchase Expenses	3214.92			1917.93	5.97

3.10.16. Regulation 85 of the MSERC (Multi Year Tariff) Regulation 2014 specifies the following guidelines.

"85.1. The Licensee shall procure power from approved sources. Additional energy required after taking into account the availability of energy from such approved sources, shall be reasonably estimated well in advance and procurement arrangements made for such long-term and medium-term purchases by following standard contractual procedures. All such purchases shall only be made with the prior approval of the Commission."

"85.2. For purchase of electricity from sources outside the state, the transmission loss level agreed to in the Power Purchase Agreement (PPA) or worked out from energy accounts of RLDC/ SLDC shall be taken into account for purchase of

power from such sources.

85.3. The cost of power purchased from the central generating companies shall be worked out based on the tariff determination by the Central Electricity Regulatory Commission (CERC).

85.4. Where power is purchased by the Licensee from State -Owned existing generating stations, the cost of power purchase shall be worked out based on the price determined by the State Commission and in case of power purchased from Renewable energy sources the quantum and the cost shall be as per the policy approved by the State Commission depending upon their jurisdiction.

85.5. The cost of power purchase from IPP's shall be considered based on existing Power Purchase Agreement if nay, till the agreement period is over.

85.6. In case of short-term power purchase necessitated based on unprecedented development, the Licensee may resort to short term procurement."

- 3.10.17. The Commission directs the Petitioner to adhere to Merit Order Principles.
- 3.10.18. Further, the projections of energy availability approved in this Order has been considered for the purpose of estimation of the power purchase cost for FY 2025-26.
- 3.10.19. The hydro power generating stations have been considered as Must Run Units as per guideline of Ministry of Power and the monthly power requirement of the Petitioner has to be met up first from these stations followed by the Thermal power plant and Short-term market.
- 3.10.20. The station wise power procurement from MePGCL at DISCOM periphery has been approved based on the pattern of Saleable Energy (Verified by SLDC) and PLF% of FY 2023-24. The power purchase from other Hydro Stations like NHPC, NEEPCO has been projected based on their total monthly availability at DISCOM periphery.
- 3.10.21. Further, applying Merit Order Despatch rules, the Petitioner is allowed to procure power from the thermal generating stations to meet up the energy demand of the Petitioner at DISCOM periphery.
- 3.10.22. The Commission has observed that the Petitioner faces power deficiency during the months of December to March every year due to scarcity of water availability from Hydro Generating stations. Further, during this period power procurement from the thermal generating stations are not sufficient to meet the energy demand of the consumers.
- 3.10.23. The cost of the power purchase from the Generating Stations of MePGCL and transmission charges of MePTCL have been considered as per the ARR approved by the Commission for the two companies in the respective Revised ARR Orders.
- 3.10.24. The Commission further mentions that since the data pertaining to Riango Project of MePGCL is not available, the power procurement and the corresponding cost of purchase from the project has not been considered for

the purpose of estimation. The Commission may allow the power procurement from this project along with its cost during truing up subject to prudence check of all necessary documents and justification from the Petitioner.

- 3.10.25. The PGCIL network cost including POSOCO charges is provisionally considered as claimed by the Petitioner for FY 2025-26.
- 3.10.26. The Commission approves the source wise power purchase cost for FY 2025-26 as tabled below:

Table 21: Approved Power Purchase Cost for FY 2025-26

Source	Installed Capacity (MW)	Allocated Capacity (MW)	Design Energy / Energy Availability Ex-Bus (MU)	Energy Purchase at DISCOM periphery	Total Power Purchase Cost
MePGCL					
Umiam Stage - I HEP	36.00	36.00	114.61	111.38	41.09
Umiam Stage - II HEP	20.00	20.00	45.45	44.17	22.83
Umiam Stage - III HEP	60.00	60.00	-	-	-
Umiam Stage- IVHEP	60.00	60.00	203.90	198.15	68.49
Sonapani	1.50	1.50	4.94	4.80	1.71
Myntdu- Leishka HEP	126.00	126.00	478.71	465.21	143.82
New Umtru HEP	40.00	40.00	231.48	224.95	45.66
Lakroh HEP	1.50	1.50	10.87	10.56	1.71
Ganol HEP	22.50	22.50	66.20	64.33	31.58
Riangdo	3.00	3.00	8.00	-	-
MLHEP-II	210.00	-	-	-	-
Sub-total MePGCL	580.50	370.50	1164.16	1123.55	356.89
NHPC					
Subhansiri	2,000.00	49.50	183.36	172.84	102.53
Loktak HEP	105.00	8.11	140.78	132.70	43.66
Sub-total NHPC	2,105.00	57.61	324.14	305.54	146.19
NEEPCO					
Kopili Stage - I	200.00	35.10	106.80	100.67	25.10
Kopili Stage - II	25.00	3.50	10.10	9.52	3.60
Khandong HEP	50.00	8.50	26.80	25.26	6.00
Rangandai HEP	405.00	47.10	162.90	153.56	59.29
Doyang HEP	75.00	8.70	19.80	18.66	23.44
Pare	110.00	14.00	71.00	66.93	37.95
Kameng	600.00	15.00	58.90	55.52	23.57
AGTPPC-Cycle	291.00	16.60	122.50	38.48	37.20
AGBPP	130.00	34.70	209.90	32.98	71.86
Sub-total NEEPCO	1886.00	183.20	788.7	501.58	288.01
NTPC					
Farakka	-	-	-	-	-
Kahalgaon I	-	-	-	-	-
Kahalgaon II	-	-	-	-	-

Source	Installed Capacity (MW)	Allocated Capacity (MW)	Design Energy / Energy Availability Ex-Bus (MU)	Energy Purchase at DISCOM periphery	Total Power Purchase Cost
Talcher	-	-	-	-	-
Bongaigaon	750.00	88.00	578.16	526.54	329.70
Sub-total NTPC	750.00	88.00	578.16	526.54	329.70
OTPC					
Pallatana	726.00	78.99	500.54	471.83	175.46
Sub-total OTPC	726.00	78.99	500.54	471.83	175.46
Short Term Market				227.00	107.66
Total Power purchase cost (excl. transmission cost)				3,156.04	1,403.91
Transmission Charges MePTCL					148.66
Transmission Charges PGCIL					112.14
POSOCO Charges					2.04
Total Power purchase cost (incl. Transmission cost)				3,156.04	1,666.75

3.10.27. The Commission considers Power purchase cost at Rs. 1,666.75 Crore (incl. PGCIL & MePTCL Transmission charges) for ARR of FY 2025-26.

3.11. Transmission Charges

Petitioner's Submission

3.11.1. MePDCL has projected Transmission charges for ARR of FY 2025-26 as depicted in the Table below,

Table 22: Proposed Transmission Charges for FY 2025-26

Particulars	Amounts (in Rs Cr)
Transmission Charges (MePTCL)	162.25
Transmission Charges (PGCIL) (incl. POSOCO Charge)	114.17

Commission's Analysis:

3.11.2. Commission has considered the transmission charges as approved for MePTCL ARR for FY 2025-26.

3.11.3. The intra-state transmission charges payable to MePTCL and the inter-state transmission charges payable to PGCIL are approved as detailed in the table below,

Table 23: Approved Transmission Charges for FY 2025-26

Sl. No	Particulars	Amount (in Rs Cr)
1	MePTCL charge	148.66

Sl. No	Particulars	Amount (in Rs Cr)
2	PGCIL charge (incl. POSOCO Charge)	114.17
	Total	262.83

- 3.11.4. **The Commission approves the transmission charges at Rs. 262.83 Crore for FY 2025-26.**

3.12. Quantum of Renewable Purchase Obligation (RPO)

- 3.12.1. Every obligated entity shall purchase a minimum percentage of its total electricity consumption (in kWh) from renewable energy sources under the renewable energy purchase obligation during each financial year as specified by the Commission.
- 3.12.2. The Petitioner has not projected any RPO commitment for ARR of FY 2025-26.
- 3.12.3. The Commission has notified RPO obligation on 22nd October 2018, and has amended the applicability of the RPO Trajectory for the period FY 2025-26 by publishing MSERC Renewable Energy Purchase Obligation & its Compliance) (3rd Amendment) Regulations, 2018 dated 26th November 2024 according to which the minimum percentages are specified as follows,

Table 24: Approved RPO% for FY 2025-26

YEAR	Minimum quantum of purchase (%) from renewable energy sources (kWh)				
	Wind RE	HPO RE	Distributed RE	Other RE	Total RE
FY 2025-26	1.45%	1.22%	1.05%	29.29%	33.01%

- 3.12.4. The Commission observed that the Petitioner projected purchase of Energy from Renewable Energy sources at 1803.85 MU for FY 2025-26, considering the Hydro Generating sources viz. MePGCL, NHPC, and NEEPCO except the Gas based power plants i.e. AGBPP and AGTTPP CC power plant.
- 3.12.5. Approved Sales for FY 2025-26 is 1,963.45 MU at consumer level and 2,337.44 MU at state transmission utility (STU) level, as depicted in the section 3.8 of this instant Order and accordingly the RPO requirement for FY 2025-26 to be fulfilled is 771.59 MUs based on the percentage obligation as shown in the above table. The Commission allows to procure 1,859.21 MU from Renewable Energy Sources to cater the RPO obligation for FY 2025-26, as shown in the "Approved Power Purchase" table.

3.13. Collection Efficiency:

- 3.13.1. Commission notes that the average collection efficiency of MePDCL in last 6 years has been 97%. The collection efficiency for FY 2023-24 is approved as 103.40% in the True-Up Order.
- 3.13.2. The trajectory of the collection efficiency of MePDCL in past 6 years is tabulated below:

Table 25: Past Trends of Collection Efficiency of MePDCL

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Collection efficiency (%)	99.59%	90.90%	96.27%	100.23%	89.10%	103.40%

- 3.13.3. Based on the targets/ commitments under RDSS Scheme the collection efficiency for FY 2025-26, the Commission has approved the collection efficiency as per Business Plan Order dated 16.11.2023 and the same is shown in table below:

Table 26: Approved Collection Efficiency for FY 2025-26

Particulars	FY 2025-26 (as per Business Plan Order)	FY 2025-26 (Approved in this Order)
Collection Efficiency (%)	99.00%	99.00%

3.14. Energy Balance

Petitioner's Submission

- 3.14.1. The Commission notes that based on the revision in the projections of the sales as mentioned in above respective paragraphs, the Petitioner submitted that the Energy balance for the state is revised as under:

Table 27: Proposed Energy Balance for FY 2025-26

Sl. No.	Particulars	Calculation	FY 2025-26 (Projected)
1	Power purchased from the Eastern Region (ER)	A	0
2	Inter-state transmission loss for ER	B	1.80%
3	Net power purchased from the ER	C=A*(1-B)	2050.78
4	Power purchased from the North -Eastern Region (NER)	D	0.00
5	Inter-state transmission loss for NER	E	3.00%
6	Net power available at state bus from external sources on long term	F=(C+D)*(1-E)	1989.26
7	Power purchased from generating stations within the state	G	1164.14
8	Power purchased from other sources	H	0
9	Intra-State Transmission Losses		2.82%
	Total Availability at MePDCL Periphery	I=F+G+H	3,064.47
9	Power to be sold to consumers within the state (including ASEB)	J	2168.43

10	Transmission & Distribution Losses (%)	K	16.00%
11	Net power requirement at state bus for sale of power within the state	$L=J/(1-K)$	2581.47
12	Surplus Power (for sale outside state)	$M = I - L$	483.00
13	Revenue from Sale of Surplus Power	$O=M*N/10$	485.76
14	Average Cost of Supply for FY 2025-26	N	10.06

Commission's Analysis:

3.14.2. The Commission approves Energy Balance with reference to the Power Purchase estimation approved for the FY 2025-26 as depicted in the table below,

Table 28: Approved Energy Balance for FY 2025-26

Sr. No.	Particulars	FY 2025-26 (Approved)
1	Power purchased from the Eastern Region (ER)	0.00
2	Inter-state transmission loss for ER	1.80%
3	Net power purchased from the ER	0.00
4	Power purchased from the North -Eastern Region (NER)	1915.35
5	Power purchased from other sources (Short term Market)	240.81
6	Inter-state transmission loss for NER	3.00%
7	Net power available at state bus from external sources on long term	2091.48
8	Power purchased from generating stations within the state	1156.14
9	Total Availability at State Periphery	3247.62
10	Intra-State Transmission Losses % *	2.82%
11	Intra state transmission loss MU	91.58
12	Total Availability at MePDCL Periphery	3156.04
13	Power to be sold to consumers within the state	1963.45
14	Distribution Losses (%)	16.00%
15	Energy Requirement for sale by Discom within state at DISCOM periphery	2337.44
16	Net power requirement at state bus for sale of power within the state	2405.26
17	Surplus Power (for sale outside state) at State Bus	818.60
18	Surplus Power (for sale outside state) at STU-CTU Periphery	842.36
19	Rate of Power to be sold outside the state	8.19
20	Revenue from Sale of Surplus Power	670.78
21	Revenue from Sale of Surplus Power at STU-CTU periphery level	690.25

* As approved for Transmission ARR

3.15. Gross Fixed Assets (GFA) and Capitalization

Petitioner's Submission

3.15.1. The Petitioner has claimed Gross Fixed Assets as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.

- 3.15.2. Accordingly, the capital structure proposed by the Petitioner for FY 2025-26 is tabulated below:

Table 29: Proposed Capital Structure for FY 2025-26

Particular	FY 2025-26 (in Rs Crs)
Opening GFA	2332.46
Addition	1240.41
Closing GFA	3572.86
Average GFA	2952.66

- 3.15.3. The Petitioner requested the Commission to approve the capital structure as above.

Commission's Analysis:

- 3.15.4. The closing GFA approved in the True-Up Order for FY 2023-24 has been considered as the opening balance for FY 2024-25 in consistency with this Commission's preceding Orders.
- 3.15.5. The addition to the Gross Fixed Assets (GFA) has been approved as per capitalization projected by the Petitioner for FY 2025-26 and is subjected to truing up considering the Petitioner substantiates its claim along with supporting documents and subsequent prudence check by the Commission.
- 3.15.6. Accordingly, the Commission has approved the GFA for FY 2025-26 as follows:

Table 30: Approved Gross Fixed Asset for FY 2025-26 (Rs. Crs.)

Particular	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	1491.60	1495.82	1737.94
Addition	4.21	242.13	1240.41
Deduction	0.003	0.00	0.00
Closing GFA	1495.81	1737.94	2978.35
Average GFA	1493.71	1616.88	2358.15

- 3.15.7. **The Commission approves average GFA as Rs 2358.15 Cr. for MePDCL for FY 2025-26.**

3.16. Grants and Funding Pattern

Petitioner's Submission

- 3.16.1. The Petitioner has claimed Grant and Funding pattern as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.16.2. The funding pattern of the capitalization thereby proposed by the Petitioner is depicted in the table below for FY 2025-26,

Table 31: Proposed Funding Pattern of Capitalization for FY 2025-26 (Rs. Crs.)

Funding Pattern	FY 2025-26
GFA	
Opening GFA	2332.46
Addition to GFA	1240.41
Deduction from GFA	0
Closing GFA	3572.86
Average GFA	2952.66
Grant	
Opening Grant	2050.99
Add Cap funded through Grant	992.32
Closing Grant	3043.31
Average Grant	2547.15
Addition of fresh debt for current year Add cap	173.66
Addition of fresh equity for current year Add cap	74.42

- 3.16.3. The Petitioner has requested the Commission to approve the Funding Pattern of Capitalization as above.

Commission's Analysis:

- 3.16.4. As per MSERC (Multi Year 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.
- 3.16.5. The Commission has decided to follow the same approach for FY 2025-26 as adopted during the True-up process for FY 2023-24. The opening grant is considered equivalent to the closing grant as determined in the previous year, ensuring that it does not exceed the closing Gross Fixed Assets (GFA) approved for respective years. The capitalization of additional grants for the year has been aligned with the Petitioner's claim, with a key stipulation that net depreciation, post adjustment of yearly grant amortization, remains non-negative. The closing value of capitalized grants for each commissioned asset is derived by summing the opening grant and the additional capitalization. Any balance of additional capitalization after grant adjustment is apportioned between debt and equity in a 70:30 ratio, as per regulatory norms.
- 3.16.6. The grant funding considered by Commission is tabulated below.

Table 32: Approved Additional Capitalization funded through Grant for FY 2025-26 (Rs. Crs.)

Funding Pattern	FY 2023-24	FY 2024-25	FY 2025-26
GFA			
Opening GFA	1491.60	1495.81	1737.94
Addition to GFA	4.21	242.13	1240.41

Funding Pattern	FY 2023-24	FY 2024-25	FY 2025-26
Deduction from GFA	0	0	0
Closing GFA	1495.81	1737.94	2978.35
Average GFA	1493.71	1616.88	2358.15
Grant			
Opening Grant	1378.31	1382.35	1576.06
Add Cap funded through Grant	4.04	193.71	992.32
Closing Grant	1382.35	1576.06	2568.39
Average Grant	1380.33	1479.21	2072.22
Addition of fresh debt for current year Add cap	0.12	33.90	173.66
Addition of fresh equity for current year Add cap	0.05	14.53	74.42

- 3.16.7. **The Commission approves average grant at Rs. 2072.22 Cr. for FY 2025-26.**

3.17. Depreciation

Petitioner's Submission

- 3.17.1. The Petitioner has claimed depreciation as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.17.2. Accordingly, the calculation of depreciation for FY 2025-26 is tabulated below:

Table 33: Proposed Depreciation for FY 2025-26 (Rs. Cr.)

Particular	FY 2025-26
Opening GFA	2332.46
Closing GFA	3572.86
Average GFA	2952.66
90% of Average GFA	2657.39
Rate of Depreciation	5.24%
Depreciation	139.12
Average Grants in GFA	2547.15
90% of Average Grant	2292.44
Depreciation on Grants	133.35
Net Depreciation	5.77

- 3.17.3. The Petitioner has requested the Commission to allow depreciation for FY 2025-26 as presented in the table above.

Commission's Analysis:

3.17.4. As per the Regulation 33 of the MSERC (Multi Year Tariff) Regulations 2014:

"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.

....

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.

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

....."

<Emphasis added>

3.17.5. Accordingly, the Commission computed the allowable depreciation based on the approved closing Gross Fixed Assets (GFA) for FY 2023-24 as opening of FY 2024-25. The Commission has considered the same Depreciation rate for FY 2024-25 and FY 2025-26.

3.17.6. The Commission approves Depreciation for FY 2025-26 as tabled below:

Table 34: Approved Depreciation for FY 2025-26 (Rs. Cr.)

Particular	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	1491.60	1495.82	1737.95
Closing GFA	1495.82	1737.95	2978.36
Average GFA	1493.71	1616.88	2358.15
90% of Average GFA	1342.46	1455.20	2122.34
Rate of Depreciation	5.22%	5.22%	5.22%
Depreciation	70.11	76.00	110.84
Average Grants in GFA	1380.33	1479.21	2072.22
90% of Average Grant	1242.30	1331.29	1865.00
Depreciation on Grants	64.88	77.25	108.22

Particular	FY 2023-24	FY 2024-25	FY 2025-26
Net Depreciation	5.23	0.00	2.62

- 3.17.1. **The Commission approves Depreciation at Rs. 2.62 Cr. for FY 2025-26.**

3.18. Return on Equity

Petitioner's Submission

- 3.18.1. The Petitioner has claimed Return on Equity as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.18.2. Accordingly, the Return on Equity for FY 2025-26 is tabulated below,

Table 35: Proposed Return on Equity for FY 2025-26 (Rs. Cr.)

Particulars	FY 2025-26
Opening GFA	2332.46
Additions	1240.41
Retirements	-
Closing GFA	3572.86
Average GFA	2952.66
Less: Average Grants and Contributions	2547.15
Net Average GFA (not funded with grants)	405.51
Average Equity @ 30%	121.65
Rate of Return on Equity	14%
Net ROE	17.03

- 3.18.3. The Petitioner has requested the Commission to allow ROE for FY 2025-26 as claimed above.

Commission's Analysis:

- 3.18.4. The Return on Equity shall be computed as per Regulation 31 read with Regulation 27 of the MSERC (Multi Year Tariff) Regulation, 2014. The relevant Regulation 33 is reproduced as under:

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

...."

<Emphasis added>

- 3.18.5. Further, Regulation 27 of the MSERC (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>

- 3.18.1. The Commission has considered the approved closing GFA of True-up year FY 2023-24 as the opening GFA of FY 2024-25 and the same approach has been consistently followed for the subsequent years i.e., FY 2024-25, FY 2025-26. Accordingly, the Commission allowed a Return on Equity (RoE) at 14% on the Normative Average Equity, which is determined as 30% of the approved Net average GFA (not funded through grants and contributions).
- 3.18.2. The Commission has approved Return on Equity for FY 2025-26 as tabled below:

Table 36: Approved Return on Equity for FY 2025-26 (Rs. Cr.)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	1491.60	1495.82	1737.95
Additions	4.21	242.13	1240.41
Retirements	0	0	0
Closing GFA	1495.82	1737.95	2978.36
Average GFA	1493.71	1616.88	2358.15
Less: Avg. Grants and Contributions	1380.33	1479.21	2072.22
Net Average GFA (not funded with grants)	113.38	137.68	285.93
Average Equity @ 30%	34.01	41.30	85.78
Rate of Return on Equity	14%	14%	14%
Net ROE	4.76	5.78	12.01

- 3.18.3. **The Commission approves Return on Equity at Rs. 12.01 Cr. for FY 2025-26.**

3.19. Interest on Loan

Petitioner's Submission

- 3.19.1. The Petitioner has claimed Interest on Loan as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.19.2. Accordingly, the proposed calculation of interest on loan is tabulated below,

Table 37: Proposed Interest on Loan for FY 2025-26 (Rs. Cr.)

Particular	FY 2025-26
Normative Opening Loan	293.35
Addition	173.66
Repayment	5.77
Normative Closing Loan	461.24
Average Loan	377.29
Rate of Interest	6.33%
Interest on Loan	23.87

- 3.19.3. The Petitioner has requested the Commission to allow Interest on Loan for FY 2025-26 as tabulated above.

Commission's Analysis:

- 3.19.4. As per the Regulation 32.1 and 32.2 of the MSERC (Multi Year Tariff) Regulations 2014:

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>

- 3.19.5. 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>

- 3.19.6. Accordingly, the Commission has allowed the interest on loans on normative basis by considering the closing loan balance from the approved True-Up

Order for FY 2023-24 as the opening loan balance for FY 2024-25 and this approach remains consistent throughout for FY 2025-26 as well. Addition of loan for current year has been considered in 70:30 ratio as detailed out in Grants and Funding Pattern section.

- 3.19.7. Loan repayment value is considered as per minimum of approved depreciation or the sum of opening loan and loan addition for the respective year. Interest rates have been provisionally considered equal to those approved by the Commission in the True-up for FY 2023-24 since, the actual weighted average rate will be determined during the trueing up for each year, in line with the principle followed in prior true-up Orders.
- 3.19.8. The calculation of Interest on loan as approved by the Commission is tabulated below,

Table 38: Approved Interest on Loan for FY 2025-26 (Rs. Cr.)

Particular	FY 2023-24	FY 2024-25	FY 2025-26
Normative Opening Loan	185.68	180.57	215.72
Addition	0.12	33.90	173.66
Repayment	5.23	-1.25	2.62
Normative Closing Loan	180.57	215.72	386.76
Average Loan	183.13	198.15	301.24
Rate of Interest	4.16%	4.16%	4.16%
Interest on Loan	7.63	8.25	12.54

- 3.19.9. **The Commission approves the Interest on Loan at Rs. 12.54 Cr. for FY 2025-26.**

3.20. Operation & Maintenance Expenses

Petitioner's Submission

- 3.20.1. The Petitioner has claimed Operation and Maintenance Expenses as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.20.2. Accordingly, the calculation of employee expenses, R&M expenses and the A&G expenses proposed by the Petitioner are tabulated below,

Table 39: Proposed Operation & Maintenance Expenses for FY 2025-26 (Rs. Cr.)

Sl. No.	Particular	FY 2025-26
1	Employee expense	195.16
2	R&M expense	7.70
3	A&G Expense	20.00
4	Total Operation expense	222.87

- 3.20.3. The Petitioner has requested the Commission to approve the O&M expenses as projected above.

Commission's Analysis:

- 3.20.4. Regulation 94 of the MSERC (Multi Year Tariff) Regulations 2014 specifies that:

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

- *Employee Cost*
- *Repairs and Maintenance*
- *Administration and General Expenses.*

94.2. The distribution Licensee shall submit to the Commission a statement for O&M expenses indicating under each head of account the actuals of last year, estimates for the current year and projections for the ensuing years. The O & M expenses for the first year of the control period shall be approved by the Commission taking into account the actual expenses for the past and norms/prudence check.

94.3 The Commission shall ensure that the O&M expense are in accordance with the norms fixed by the Commission, and any excess or shortage over the norm shall have to be justified by the licensee.

94.4. In the absence of any norms for O&M expenses, the Commission shall determine operation and maintenance expenses based on prudence check of the estimates submitted by the licensee and consumer price index/wholesale price index/inflation.

94.5 Increase in O& M expenses due to natural calamities or insurgency or other factors not within the control of the distribution licensee may be considered by the Commission for determination of tariff."

<Emphasis Added>

- 3.20.5. The Commission considers that the actual O&M expense is in descending Order compared to that approved in Tariff Order during FY 2023-24. In this regard, the Commission decides to keep the O&M Expense for FY 2025-26 equivalent to the figure approved in True-Up of FY 2023-24 i.e. Rs 197.10 Cr and will consider the actual figure for FY 2025-26 subject to prudence check as per Audited Accounts and other applicable norms during truing up of FY 2025-26.
- 3.20.6. **The Commission approves O&M expenses at Rs. 197.10 Crore for FY 2025-26.**

3.21. Interest on Working Capital

Petitioner's Submission

3.21.1. The Petitioner has claimed Interest on Working Capital as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.

Commission's Analysis:

3.21.2. As per Regulation 34.3 of the MSERC (Multi Year Tariff) Regulations 2014:

"The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Business 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) months of the expected revenue from charges for use of Distribution at the prevailing tariffs; minus***

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."

<Emphasis Added>

3.21.3. The Commission considers computation of interest on working capital with a Rate of Interest equivalent to State Bank Advance Rate (SBAR) as on 01.04.2023 (14.85%), as considered by the Petitioner. Commission will take into consideration the actual rate of interest for FY 2025-26 as on 1st April 2025 during Truing Up with a prudence check.

3.21.4. Accordingly, the Commission approves Interest on Working Capital as tabled below:

Table 40: Approved Interest on Working Capital for FY 2025-26 (Rs. Cr.)

S No.	Particular	FY 2025-26
1	O&M Expenses (1 month)	16.42
2	Maintenance Spares (@ 1% of Opening GFA escalated at 6%)	18.42
3	Receivables for 2 Months (Net ARR*2/12)	277.52
4	Total Working Capital Requirement	312.37
5	Rate of Interest (%) (SBI advance rate as on 01.04.2023)	14.85%
6	Interest on Working Capital	46.39

3.21.5. **The Commission considers Interest on Working Capital at Rs. 46.39 Cr for FY 2025-26.**

3.22. Non-Tariff and Other Income

Petitioner's Submission

- 3.22.1. The Petitioner has claimed Non-Tariff Income as approved in MYT Order dated 24.10.2024. The Petitioner has further stated that this component shall be claimed on the basis of actuals at the time of truing up.
- 3.22.2. Accordingly, the Non-Tariff Income for FY 2025-as claimed by the Petitioner is projected as tabulated below,

Table 41: Proposed Non-Tariff Income for FY 2025-26 (Rs. Cr.)

Particular	FY 2025-26 (Rs. Cr)
Non-Tariff Income	50.42

Commission's Analysis:

- 3.22.3. The Commission observed that the actual Non-Tariff income during preceding financial years was much higher than what the Petitioner has proposed for FY 2025-26. Further, the actual Non-Tariff income has increased significantly over the last few years.
- 3.22.4. Accordingly, the Commission provisionally **considers Non-Tariff Income of Rs 209.97 Cr for FY 2025-26 as approved in True-up for FY 2023-24**. The Commission will take into consideration the actual Non-Tariff income during truing up of the respective financial year based on prudence check & Audited Accounts.

3.23. Revenue from Sale of Surplus power

Petitioner's Submission

- 3.23.1. Based on the revision in the projections of the sales as explained in the respective paragraphs, the Petitioner submitted the revised Energy balance for the state as under, wherein the Petitioner proposed 483.00 MUs as Surplus energy:

Table 42: Proposed Energy Balance for FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	Calculation	FY 2025-26 (Projected)
1	Power purchased from the Eastern Region (ER)	A	0
2	Inter-state transmission loss for ER	B	1.80%
3	Net power purchased from the ER	C=A*(1-B)	2050.78
4	Power purchased from the North -Eastern Region (NER)	D	0.00
5	Inter-state transmission loss for NER	E	3.00%
6	Net power available at state bus from external sources on long term	F=(C+D)*(1-E)	1989.26

Sl. No.	Particulars	Calculation	FY 2025-26 (Projected)
7	Power purchased from generating stations within the state	G	1164.14
8	Power purchased from other sources	H	0
9	Intra-State Transmission Losses		2.82%
	Total Availability at MePDCL Periphery	I=F+G+H	3,064.47
9	Power to be sold to consumers within the state (including ASEB)	J	2168.43
10	Transmission & Distribution Losses (%)	K	16.00%
11	Net power requirement at state bus for sale of power within the state	L=J/(1-K)	2581.47
12	Surplus Power (for sale outside state)	M = I - L	483.00
13	Revenue from Sale of Surplus Power	O=M*N/10	485.76
14	Average Cost of Supply for FY 2025-26	N	10.06

- 3.23.2. The Petitioner proposed that for the purpose of estimation of the revenue the methodology adopted by the Commission in the previous Tariff Order, i.e., the Average cost of Supply rate has been considered as the rate for sale of surplus power.
- 3.23.3. Accordingly, considering the above rates the revenue from sale of surplus power as proposed by the Commission is tabulated as under:

Table 43: Proposed Revenue from Sale of Surplus Power for FY 2025-26 (Rs. Cr.)

Particulars	FY 2025-26
Surplus Energy as per the Energy Balance (MUs)	483.00
Rate of Surplus Energy (Rs/Unit)	10.06
Revenue from Sale of Surplus Energy (Rs Cr)	485.76

- 3.23.4. The Petitioner submitted that the rates and revenue in the above table have been taken on assumption basis only for the purpose of the calculation of ARR and are subject to change as per the actuals on the basis of any banking or swapping arrangements.

Commission's Analysis:

- 3.23.5. The Commission observes that the Petitioner has revised the Power purchase expense amounting Rs 1917.93 Cr, as considered by the Commission in the respective section of Power Purchase. However, the Petitioner has not submitted any revised ARR table for FY 2025-26. Based on the revised claim of the Petitioner, the final Rate of Sale of Surplus power comes out to be Rs 10.73 / unit equivalent to Average cost of Supply rate of FY 2025-26. Accordingly, the revised claim of the Petitioner for Revenue from Sale of Surplus power is determined as Rs 518.29 Cr.
- 3.23.6. The Commission has computed the energy balance in the concerned segment of this Order considering the estimated energy purchase and energy

requirement at DISCOM periphery for FY 2025-26 for consideration of Sale of Surplus energy.

- 3.23.7. The Commission has observed that the rate projected by the Petitioner is on much higher side, as the ceiling price of the Power Exchange market is even set at Rs 10/unit as approved by CERC. Accordingly, the Commission has checked the previous years' Market price and provisionally considers the rate of Surplus power sale outside the state as Rs 8.19/unit, subject to change on actual basis during truing up, as shown in the table below:

Table 44: Approved Revenue from sale of Surplus Power for FY 2025-26(Rs. Cr.)

Particulars	FY 2025-26
Surplus Energy during the Year at STU-CTU Periphery (MU)	842.36
Rate of Surplus power (Rs. /Kwh)	8.19
Revenue from Sale of Surplus Energy at STU-CTU periphery level (Rs. Cr)	690.06

- 3.23.8. **The Commission approves Revenue from sale of surplus power at Rs. 690.06 Cr for FY 2025-26.**

3.24. Accrued Terminal Benefits

Petitioner's Submission

- 3.24.1. Petitioner has claimed Rs. 35.42 Crore for MePTCL and Rs. 0.63 Crore for MeECL as Accrued Terminal Liabilities of Pension.

Respondents' submission in this regard

- 3.24.2. BIA strictly objects that the recovery of funds towards Pension Trust which were to be contributed by the State Government as per the Meghalaya Power Sector Reforms Transfer Scheme, 2010, is not liable to be passed on to the consumers.
- 3.24.3. Accordingly, BIA requested the Commission to disallow the claim of the Petitioner towards pension benefits amounting to Rs.113 .18 Cr.

Commission's Analysis:

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

has submitted documentary evidence w.r.t institutionalization of the Pension trust in previous year.

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

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

- 3.24.12. Accordingly, the Commission considers Rs. 113.81 Cr (Rs. 113.18 Crore for MePDCL + 1/3rd of MeECL liability i.e., Rs. 0.63 Crore) to pass through as Accrued Terminal Liabilities in the Order for FY 2025-26. Additionally, the Petitioner is directed to pursue the Govt. of Meghalaya for an early liquidation of its pending dues amounting to Rs. 1,93,690.98 Lakhs as on 01.04.2024 towards pension trust.
- 3.24.13. 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.

3.25. Revised Annual Revenue Requirement for FY 2025-26

Petitioner's Submission

- 3.25.1. Based on the above submissions and considering all the responses of Additional Information as submitted by the Petitioner, the revised ARR and Revenue Gap for FY 2025-26 as proposed by the Petitioner is represented as under.

Table 45: Proposed ARR projection for FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26
1	Power Purchase Expenses	1641.52
2	Transmission Charges (PGCIL) (incl POSOCO Charges)	114.17
3	Transmission Charges (MePTCL)	162.25
4	Return on Equity	17.03
5	Interest on Loan	23.87
6	O&M Expenses	222.87
7	Depreciation	5.77
8	Interest on Working Capital	39.80
9	Gross ARR	2227.27
10	Less: Non-Tariff Income	50.42
11	Less: Revenue from Sale of Surplus Power	518.29
12	Net ARR	1658.56
13	Revenue at Existing Tariff	1817.14
14	Standalone Gap for FY 2025-26	(158.58)
15	Add: True up Gap of FY 2023-24	554.48
16	Add: Accrued Terminal Liabilities	113.81
17	Total Gap	509.71

Commission's Analysis:

- 3.25.2. The Commission prudently checked the petition and the additional information filed by the Petitioner, and also took into consideration the objections raised by the stakeholders, the response of the petitioner for the

objections, the minutes of the Public Hearing process and views of the State advisory committee.

3.25.3. Moreover, the past True-up year Gap/(Surplus) adjustments have been considered by the Commission in the Current year ARR.

3.25.4. Accordingly, the Commission approves the revised Annual Revenue Requirement for FY 2025-26 as depicted in the table below,

Table 46: Approved ARR projection for FY 2025-26 (Rs. Cr.)

Sl. No	Particular	FY 2025-26 (Claimed)	FY 2025-26 (Approved)
1	Power Purchase Expenses	1641.52	1403.91
2	Transmission Charges (PGCIL) (incl. POSOCO Charges)	114.17	114.17
3	Transmission Charges (MePTCL)	162.25	148.66
4	SLDC Charges	-	6.92
5	Return on Equity	17.03	12.01
6	Interest on Loan	23.87	12.54
7	O&M Expenses	222.87	197.10
8	Depreciation	5.77	2.62
9	Interest on Working Capital	39.80	46.39
10	Gross ARR	2227.27	1944.32
11	Less: Non-Tariff Income	50.42	209.97
12	Less: Revenue from Sale of Surplus Power	485.76	690.06
13	Net ARR	1691.09	1044.29
14	Add: True Up Gap of 2023-24	553.32	507.03
15	Total ARR recoverable for the year (excluding Pension Liability)	2244.41	1551.32
16	Comprehensive (Income)/ Expenses (Pension)	113.18	113.18
17	Comprehensive (Income)/ Expenses (1/3rd MeECL) (Pension)	0.63	0.63
18	Total ARR recoverable for the Year (including Pension Liability)	2358.22	1665.12

3.25.5. **The Commission approves Revised ARR for FY 2025-26 at Rs. 1665.12 Crore.**

3.26. Revenue at Existing Tariffs

Petitioner's Submission

3.26.1. The revenue at existing tariff is shown in the table below with the detailed calculations:

Table 47: Proposed Calculation of Revenue at Existing Tariff for FY 2025-26 (Rs. Cr.)

Sl. No.	Category of Consumer	No. of Consumers	Connected Load	Sales MU	Fixed Charges	Energy Charges	Demand Charges-Revenue	Energy Charges - Revenue	Total Revenue
LT Category									
1	Domestic (DLT)	417022.00	759306.98	424.76	90.00		82.01	241.49	323.50
2	Commercial (CLT)	43499.00	119713.10	105.38	150		21.55	82.15	103.69
3	Industrial (ILT)	857.00	10812.58	6.99	150	7.2	1.95	5.03	6.98
4	Agriculture (Ape)	22.00	135.06	0.15	130	3.25	0.02	0.05	0.07
5	Public Lighting (PL)	90.00	1787.66	1.19	150	5.49	0.32	0.65	0.98
6	Water Supply (WSLT)	551.00	7974.09	10.38	150	7.95	1.44	8.26	9.69
7	General Purpose	2817.00	19509.07	15.50	150	7.89	3.51	12.23	15.74
8	BPL	275166.00	248783.32	128.72	210		69.34		86.21
9	Crematorium (CRM)	1.00	163.91	0.20	7510	5.12	0.01	0.10	0.11
HT Category									
1	Domestic HT	156.00	23638.48	25.24	310	6.48	8.79	16.36	25.15
2	Water Supply (WSHT)	82.00	16774.82	40.66	310	8.3	6.24	33.74	39.98
3	Bulk Supply (BS)	253.00	57997.93	83.31	310	7.55	21.58	62.90	84.47
4	Commercial (CHT)	230.00	27594.51	33.03	310	7.12	10.27	23.52	33.78
5	Industrial (IHT)	275.00	181587.72	177.22	310	6.51	67.55	120.27	187.82
6	Ferro Alloy	3.00	25169.21	169.62	250	6.47	7.55	109.74	117.30
EHT Category									
1	Industrial (EHT)	13.00	73524.44	350.53	310	9.43	27.35	344.60	371.95
2	Ferro Alloy (EHT)	4.00	87047.40	586.63	250	6.41	26.11	376.03	402.14
3	Electric Vehicle	43.00	2064.00	8.92		8.5		7.58	7.58
	Total	741084.00	1661520.26	2168.43					1817.14

Commission's Analysis

- 3.26.2. The Commission considers the slab wise Number of consumers, Connected Load as submitted by the Petitioner. Further, the Commission approves the sale as per provisional estimation depicted in the respective paragraph of this Order.
- 3.26.3. Accordingly, Revenue from Existing Tariffs considered for FY 2025-26 as depicted in the Table below:

Table 48: Approved Revenue from Existing Tariff for FY 2025-26

Sl. No	Category	Number of Consumers	Connected Load (KVA)	Energy (MU)	Total Revenue (Rs. Cr.)	Avg. Rate (Rs. Unit)
A) LT Category						
1	Domestic (DLT)	417022	759306.98	413.38	316.46	7.66
2	Commercial (CLT)	43499	119713.10	98.50	97.29	9.88
4	Industrial LT (ILT)	857	10812.58	6.62	6.71	10.14
5	Agriculture (Ape)	22	135.06	0.14	0.07	4.75
6	Public Lighting (PL)	90	1787.66	1.14	0.95	8.31
7	Water supply (WSLT)	551	7974.09	9.89	9.30	9.40
8	General Purpose (GP)	2817	19509.07	15.44	15.69	10.16
9	Kutir Jyoti (KJT)	275166	248783.32	122.69	128.39	10.46
10	Crematorium (CRM)	1	163.91	0.19	0.11	5.59
B) HT Category						
1	Domestic (HT)	156	23638.48	24.09	24.40	10.13
2	Public water supply	82	16774.82	42.72	41.70	9.76

Sl. No	Category	Number of Consumers	Connected Load (KVA)	Energy (MU)	Total Revenue (Rs. Cr.)	Avg. Rate (Rs. Unit)
3	Bulk Supply	253	57997.93	81.37	83.01	10.20
4	Commercial (HT)	230	27594.51	32.27	33.24	10.30
5	Industrial (HT)	275	181587.72	161.11	79.58	4.94
6	Ferro Alloys	3	25169.21	132.13	93.04	7.04
C)	EHT Category					
1	Industrial	13	73524.44	345.00	61.81	1.79
2	Ferro Alloys	4	87047.40	467.84	326.00	6.97
3	Electric Vehicle	43	2064.00	8.92	7.58	8.50
	Total	741084	1663584.27	1963.45	1325.32	

3.27. Revenue Gap for FY 2025-26 at Existing Tariffs

Petitioner's Submission

3.27.1. Based on the ARR projected above and the estimation of Revenue at Existing Tariffs, the Gap for FY 2025-26 is tabulated as under.

Table 49: Proposed ARR Gap for FY 2025-26

Sl. No.	Particulars	Amount
1	ARR of FY 2025-26	1658.56
2	Revenue at Existing Tariff	1817.14
3	Gap/(Surplus)	(158.58)
4	Add: True up Gap of FY 2023-24	554.48
7	Add: Accrued Terminal Benefits	113.81
8	Total Gap	509.71

Commission's Analysis

3.27.2. Commission has considered Revenue as assessed at existing Tariffs for FY 2025-26 and arrived at Net Revenue Gap including True up Gap/Surplus of the previous years as detailed below:

Table 50: Approved Revenue Gap/(Surplus) at Existing Tariff for FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	FY 2025-26 (Claimed)	FY 2025-26 (Approved)
1	Net ARR for FY 2025-26	1658.56	1044.29
2	Add: True up Gap of 2023-24	554.48	507.03
5	Comprehensive (Income)/ Expenses (Pension)	113.18	113.18
6	Comprehensive (Income)/ Expenses (1/3 MeECL) (Pension)	0.63	0.63
7	Total ARR	2326.86	1665.12
8	Revenue at Existing Tariff	1817.14	1325.32
9	Net Gap/(Surplus)	509.71	339.80

- 3.27.3. **Commission considers a Revenue Gap of Rs. 339.80 Crore at Existing Tariffs taking into account the Gap/(Surplus) of previous years for FY 2025-26.**

4. Tariff Principles and design and Approved Tariff

4.1. Background

- 4.1.1. The Commission while determining the Revenue Requirement and retail tariff for MePDCL for FY 2025-26, has been guided by the provisions of the Electricity Act, 2003, Revised National Tariff Policy, Regulations on Terms and Conditions of Tariff issued by Central Electricity Regulatory Commission (CERC) and Regulations on Terms and Conditions of Tariff notified by MSERC. The Act mandates that the tariff determination shall be guided by the factors which encourage competition, efficiency, economical use of resources, good performance and optimum investment. The National Tariff Policy (NTP) notified by Govt. of India provides comprehensive guidelines for determination of tariff and also in working out the revenue requirement of power utilities. The Commission has endeavoured to follow these guidelines as far as possible. The mandate of NTP is that tariff should be within $\pm 20\%$ of the average cost of supply for the year. It is not possible for the Commission to lay down the road map for reduction of cross subsidy, mainly because of lack of data regarding Cost of Supply (CoS) at various voltage levels.
- 4.1.2. In view of the prevailing situation, the Commission has gone on the basis of average cost of supply for working out consumer category wise cost of supply. Commission has always stressed the licensee that better performance in reduction in loss levels would result in substantial reduction in average cost of supply and would be of benefit to the consumer.

4.2. Tariff Proposal

Commission's Analysis

- 4.2.1. Regulation 101 of MSERC Regulations 2014 specifies that -
- "For the tariff year, the difference between the net Annual Revenue Requirement and the expected Revenue at the prevailing tariff shall be the 'Revenue Gap'.*
- The revenue gap shall be bridged by measures such as improvements in internal efficiency, utilization of reserves, tariff changes etc. as may be approved by the Commission."*
- 4.2.2. The mandate of National Tariff Policy is that tariff should be within $\pm 20\%$ of the average cost of supply for the Tariff year.
- 4.2.3. The variance in the Cross-subsidy levels within the consumer categories at existing tariff is depicted in the table below.

Table 51: Computation of Cross Subsidy level at Existing Tariff

Sl. No.	Consumer category	Existing Tariff Payable (as per Order dated 24.10.24) (Rs. /kWh)	Level of Cross Subsidy w.r.t avg tariff for FY 2025-26 (%)
A	HT CATEGORY		
1	Domestic (HT)	9.99	17.75%
2	Water Supply (WSHT)	9.79	15.39%
3	Bulk Supply (BS)	10.04	18.43%
4	Commercial (CHT)	10.20	20.26%
5	Industrial (IHT)	10.20	20.26%
6	Ferro Alloys	6.95	-18.07%
B	EHT CATEGORY		
1	Industrial	10.19	20.10%
2	Ferro Alloys	6.85	-19.20%
	Average Cost of Supply**	8.51	

** Average Cost of Supply for FY 2025-26 being Rs. 8.48 per unit.

4.3. Determination of Retail Supply Tariff for FY 2025-26

- 4.3.1. The Petitioner has not proposed any increase in the exiting tariffs through the petition, rather it only prayed to the Commission to allow the recovery of the Gap through uniform tariff hike across all categories.
- 4.3.2. The Commission is of the view to regularize the tariff in Order to rationalize the level of cross-subsidization especially for HT and EHT categories as per the Tariff Policy 2016.
- 4.3.3. Regulation 61 (d) of Electricity Act 2003 reads:

“safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner”

61 (g) reads “that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission.”

8.3 (2) of National Tariff policy reads

“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in Cross Subsidy”

- 4.3.4. The total ARR as approved by the Commission for FY 2025-26 is Rs. 1665.12 Crore.

- 4.3.5. The Commission considers it is desirable to neutralize the Cross Subsidy levels to some extent between the consumer categories in terms of section 62 (3) of Electricity Act 2003 read with Regulation 103 of MSERC (Multi Year Tariff) Regulations 2014.
- 4.3.6. The Commission accordingly considers and determine revision of rates of Energy and Fixed charges for FY 2025-26 as per the schedule of Tariffs followed.

Table 52: Approved Category wise Tariffs for FY 2025-26

Sl. No	Category	Existing Tariff for (FY 2024-25)			Approved Tariffs for (FY 2025-26)		
		Fixed Charges Rs. /kVA/Month	Energy Charges Rs. /kWh	Total Avg Tariff Rs. / kWh	Fixed Charges Rs. /kVA/Month	Energy Charges Rs. /kWh	Total Avg Tariff Rs. / kWh
	Low Tension						
1	BPL (Kutir Jyoti)						
	Unmetered (Per Connection)	210/conn/month			210/conn/month		
	Metered up to 30 units /month		4.57			4.57	
2	Domestic			7.48			6.95
	First 100 Units	90	5.55		90	5.00	
	100- 200 Units	90	5.65		90	5.04	
	Above 200 Units	90	6.12		90	5.10	
3	Commercial			9.81			9.98
	First 100 Units	150	7.62		170	7.50	
	Above 100 Units	150	7.85				
		Rs. /kVA/month	Rs. /kVAh		Rs. /kVA/month	Rs. /kVAh	
4	LT Industrial	150	7.20	10.05	170	6.80	10.13
		Rs. /kVA/Month	Rs. /kWh		Rs. /kVA/Month	Rs. /kWh	
5	Public Lighting (Metered)	150	5.49	8.18	180	6.35	9.74
6	Public Water Supply	150	7.95	9.33	180	7.80	9.54
7	General Purpose	150	7.89	10.14	180	7.41	10.14
8	Agriculture/Irrigation	130	3.25	4.68	130	3.18	4.68
9	Crematorium	7510/conn/month	5.12	5.59	7510/conn/month	5.12	5.59
	High Tension	Rs. /kVA/month	Rs. /kVAh		Rs. /kVA/month	Rs. /kVAh	
10	Domestic	310	6.48	9.99	350	5.87	9.99
11	General Purpose/Bulk Supply	310	7.55	10.04	420	6.55	10.14
12	Commercial	310	7.12	10.20	390	6.17	10.17
13	Industrial HT	310	6.51	10.20	340	5.57	10.17
14	Ferro Alloys HT	250	6.47	6.95	500	5.92	7.06
15	Public Water Supply HT	310	8.30	9.79	410	7.91	9.84
	Extra High Tension	Rs. /kVA/month	Rs. /kVAh		Rs. /kVA/month	Rs. /kVAh	
16	Industries EHT	310	9.43	10.19	500	8.87	10.15
17	Ferro Alloys EHT	250	6.41	6.85	500	5.83	6.95
18	Electric Vehicle	-	8.51	10.19	-	7.50	7.50

4.3.7. Accordingly, the Commission has worked out per unit Average Realization in the table below for FY 2025-26.

Table 53: Revenue from Revised Tariff for FY 2025-26

Sl. No	Category	No. of Consumers	Connected Load	Energy (MU)	Total Revenue (Rs. Cr.)	Avg. Rate (Rs. /Unit)
A)	LT Category	740025	1168186	667.99	545.13	
1	Domestic (DLT)	417022	759307	413.38	287.27	6.95
2	Commercial (CLT)	43499	119713	98.50	98.30	9.98
3	Industrial LT (ILT)	857	10813	6.62	6.71	10.13
4	Agriculture (Ape)	22	135	0.14	0.07	4.68
5	Public Lighting (PL)	90	1788	1.14	1.11	9.74
6	Water supply (WSLT)	551	7974	9.89	9.44	9.54
7	General Purpose (GP)	2817	19509	15.44	15.65	10.14
8	Kutir Jyoti (KJT)	275166	248783	122.69	126.48	4.66
9	Crematorium (CRM)	1.00	164	0.19	0.11	5.59
B)	HT Category	999	332763	473.69	438.62	
1	Domestic (HT)	156	23638	24.09	24.07	9.99
2	water supply	82	16775	42.72	42.04	9.84
3	Bulk Supply	253	57998	81.37	82.53	10.14
4	Commercial (HT)	230	27595	32.27	32.82	10.17
5	Industrial (HT)	275	181588	161.11	163.83	10.17
6	Ferro Alloys	3.00	25169	132.13	93.32	7.06
C)	EHT Category	60	162636	821.76	681.80	
1	Industrial	13	73524	345.00	350.13	10.15
2	Ferro Alloys	4	87047	467.84	324.98	6.95
3	Electric Vehicle	43	2064	8.92	6.69	7.50
	Grand Total	720761	1661520	1963.45	1,665.55	

Table 54: Computation of Cross Subsidy at Revised Tariff for FY 2025-26

Sl. No	Consumer category	Revised Tariff Payable	Level of Cross Subsidy (%)
A	HT CATEGORY		
1	Domestic (HT)	9.99	17.81%
2	Water Supply (WSHT)	9.84	16.05%
3	Bulk Supply (BS)	10.14	19.60%
4	Commercial (CHT)	10.17	19.94%
5	Industrial (IHT)	10.17	19.90%
6	Ferro Alloys	7.06	-16.72%
B	EHT CATEGORY		
1	Industrial	10.15	19.67%

Sl. No	Consumer category	Revised Tariff Payable	Level of Cross Subsidy (%)
2	Ferro Alloys	6.95	-18.09%
	Average Cost of Supply	8.48	

4.4. Revenue Gap after Revision of Tariff rates for FY 2025-26

- 4.4.1. Commission has assessed Revenue at Revised Tariffs at Rs. 1,666.55 Crore for FY 2025-26 and arrived at Net Revenue Gap/(Surplus) including True up Gap/Surplus of the previous years as detailed below.

Table 55: Approved Revenue Gap/Surplus at Revised Tariffs for FY 2025-26 (Rs. Lakhs)

	Particulars	Amount
1	Revised ARR approved for FY 2025-26	166512.47
2	Revenue at Existing Tariff as approved in ARR for 2025-26	132532.19
3	Revenue at Revised Tariff as proposed in ARR for 2025-26	166554.52
4	Gap/ (Surplus) (w.r.t. revenue at existing tariff)	33980.28
5	Gap / (Surplus) (w.r.t. revenue at Revised tariff)	-42.05

- 4.4.2. **Commission considers a Revenue Surplus of Rs. 42.05 Lakh with the Revised tariffs taking into account the Gap/(Surplus) of previous years for FY 2025-26.**

5. Open Access Charges

5.1. Wheeling Charges

Petitioner's Submission

- 5.1.1. The Petitioner has not projected computation of Wheeling Charges and Cross Subsidy surcharges payable for the open access consumers in their petition.

Commission's Analysis:

- 5.1.2. The Commission has determined the ARR of MePDCL for FY 2025-26 as per the Regulations and taken it as the basis for determining the wheeling charges and cross subsidy surcharges in accordance with MSERC (Terms and conditions of open Access) Regulations, 2012.
- 5.1.3. The Commission has computed the wheeling charges based on the approved sales of 1963.45 MU and the calculation is shared in the table below:

Table 56: Approved Wheeling charges for FY 2025-26 (Rs. Cr.)

Sl. No.	Particulars	Amount
	Distribution Network Cost	
1	Employee Expenses	
2	Repair & Maintenance Expenses	197.10
3	Administration & General Expenses	
4	Depreciation	2.62
5	Return on Equity	12.01
6	Interest and Finance charges	12.54
7	Interest on working capital	46.39
8	Comprehensive Income/ Expenses (Pension)	113.18
9	Comprehensive Income/ Expenses (1/3 MeECL) (Pension)	0.63
10	Total Distribution network cost	384.46
11	Energy Sales (MU)	1963.45
12	Wheeling Charges (Rs/KWh) (Sl. no 10/ Sl no. 11)	1.96

- 5.1.4. Wheeling charges per unit works out to Rs. 1.96 Rs/kWh.

5.2. Cross-Subsidy Surcharge

Respondents' submission in this regard

- 5.2.1. M/s Star Cement has stated that Meghalaya is heavily reliant on uninterrupted power supply. However, frequent power shortages from Meghalaya Power Distribution Corporation Limited (MePDCL) have necessitated the installation of captive power plants by cement

manufacturers. Given the restrictions on local coal mining and the increasing cost of coal procurement, industries are forced to procure power from Power Exchanges via Open Access, which entails high Cross Subsidy Surcharges (CSS). If the Commission determines a competitive tariff, the cement industry would be willing to procure power from MePDCL.

- 5.2.2. M/S Star Cement has submitted that the analysis of power purchase data for FY 2025-26 reveals discrepancies in the petition filed by MePDCL, particularly concerning power procurement from the North-Eastern Region (NER). It has also been highlighted that the petitioner has not provided justification for omitting power purchases from NER, despite the Tariff Order dated 24.10.2024, which had accounted for such purchases.
- 5.2.3. M/S Star Cement has highlighted that the high Average Cost of Supply (ACS) of Rs. 10.06/ kWh leads to an increased CSS, negatively impacting industrial competitiveness. Further, the Respondents have submitted that the elevated energy costs deter investments, suppress industrial growth, and contribute to job losses, ultimately affecting the state's economy. It has been highlighted that those industries in Meghalaya face higher electricity costs compared to other regions, reducing their competitiveness, and prompting businesses to relocate to areas with lower tariffs.
- 5.2.4. M/S Star cement has requested the Commission to direct the Petitioner to provide transparent and detailed justifications regarding the methodology used for cost calculations.
- 5.2.5. M/S Star Cement has urged that the CSS be capped at 20% of the Average Billing Rate (ABR) and a roadmap be developed for its gradual reduction.
- 5.2.6. M/S Star Cement has raised an objection stating that the Petitioner had previously defended the CSS computation methodology, asserting compliance with Tariff Policy norms, however, concerns persist regarding whether cement industries are indirectly subsidizing the Ferro-Alloy sector in the absence of explicit state government subsidies.
- 5.2.7. M/S Star Cement has highlighted that the current CSS in Meghalaya (Rs. 2.04/ kWh) is significantly higher than in neighbouring Assam (Rs. 0.49/ kWh) and other states, adversely impacting industrial competitiveness. The high CSS may lead to industries shifting operations to states with lower power costs, further exacerbating economic disparities. M/S Star Cement has submitted that the principle of cross-subsidy should be applied in a manner that does not disproportionately burden any consumer category.

MePDCL's Response to Respondent's submissions:

- 5.2.8. The Petitioner has not submitted any response to the objection of M/S Star Cement.

Commission's Analysis

- 5.2.1. The Commission acknowledges the concerns raised by cement industry regarding the requirement for uninterrupted power supply and the challenges posed by frequent shortages. However, power supply constraints arise due to various operational and systemic factors, including generation capacity, transmission constraints, and unforeseen demand fluctuations.
- 5.2.2. With respect to the omission of power procurement from the North-Eastern Region (NER) in the present petition, the Commission directs the Petitioner to provide detailed justifications for deviations from the previous Tariff Order dated 24.10.2024. Also, any such deviation must be substantiated with documentary evidence, cost-benefit analysis, and technical feasibility studies to ensure transparency and regulatory consistency.
- 5.2.3. The Commission notes the Respondent's concern regarding the high Average Cost of Supply (ACS) of Rs. 10.06/ kWh and its impact on Cross Subsidy Surcharge (CSS). However, the ACS is determined based on prevailing power purchase costs, transmission charges, and operational expenses incurred by the Petitioner. The Commission is committed to striking a balance between cost recovery for the licensee and affordability for consumers.
- 5.2.4. The Commission submits that the year-on-year increase in CSS is a direct consequence of cost variations in power procurement and revenue requirements of the Petitioner. However, the Commission acknowledges the Respondent's concern regarding compliance with the 20% cap on CSS, as stipulated in the Tariff Policy and hence the CSS has been calculated keeping in line with the compliance requirement.
- 5.2.5. The comparative analysis done by M/S Star Cement for CSS rates across states is acknowledged by the Commission. While CSS levels in Meghalaya are higher than those in Assam and certain other states, they are determined based on state-specific cost structures, demand-supply conditions, and tariff principles. The Commission will, however, undertake a comprehensive review of CSS levels to ensure competitiveness while maintaining revenue neutrality for the Petitioner.
- 5.2.6. The principle of cross-subsidy is intended to provide equitable tariff structures without unduly disadvantaging any consumer category. While the Commission acknowledges the objector's concern, the reduction of CSS must be undertaken in a phased manner to prevent revenue shocks to the distribution licensee. A gradual transition towards tariff rationalization, as envisaged under the Tariff Policy, will be considered in future tariff proceedings.
- 5.2.7. The Commission is committed to ensuring a fair, transparent, and balanced approach in tariff determination. The Commission hereby states that the

Cross-Subsidy has been determined in line with National Tariff Policy 2016, keeping the surcharge within a range of ±20% of the tariff applicable to the category of the consumers seeking open access, i.e. Industrial (HT/EHT) and Ferro Alloys (HT/EHT). While addressing the concerns raised by industries, the Commission is of the view that, to reduce the Cross-Subsidy, it is imperative to improve the financial viability of the distribution licensee to sustain reliable electricity supply and in this context the Commission directs the Petitioner to appraise suitable technical and commercial strategical action plan prior to next petition filing.

- 5.2.8. The Petitioner, vide First Additional Information requirement dated 02.01.2025, was asked to submit the Proposed Roadmap for reduction of Cross-subsidies as per the Tariff Policy for consideration of the Commission. In response, the Petitioner has submitted that for reduction of cross-subsidy in tariff it has focused on key areas of the distribution to reduce the losses. These steps include distribution infrastructure strengthening, installation of smart meters etc. The Petitioner further added that it has also been focusing on the optimization of the power purchase cost by ensuring optimal disposal of surplus power, getting into PPAs only with cost effective projects etc. Further, it has been seen that some of the consumers enjoy lower tariff as compared to their peers in similar kind of business, hence in addition to the steps enumerated above, the Petitioner requested the Commission to bring such consumers at par with their peers.
- 5.2.9. The Commission notes the Regulation 24 of MSERC (Terms and Conditions of Open Access) Regulations, 2012, as stated below:

"24. Cross subsidy surcharge

(1) Cross-Subsidy Surcharge

In addition to transmission charges and wheeling charges, a consumer availing open access to the transmission system/distribution system shall pay a Cross-Subsidy Surcharge on per unit basis for actual energy drawn through open access.

The Open access users, except those availing open access facility to transfer power from their captive generating plants to the destination of their own use, shall pay the (cross subsidy) surcharge to the distribution licensee of their area, as determined by the Commission from time to time. The amount of surcharge shall be so calculated as to meet the current level of cross subsidy from that category of consumers and shall be paid to the distribution licensee of area of supply where the consumer is located."

- 5.2.10. The Commission states that the above regulatory provision allows to apply the Cross-Subsidy surcharge to the consumer categories willing to avail Open Access.

- 5.2.11. The Cross-subsidy surcharge is further computed as per clause 8.5 of National Tariff policy notified by Ministry of Power Resolution dated 28th January 2016 as produced below.

"8.5.1 National Electricity Policy lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open access should not be so onerous that it eliminates competition which is intended to be fostered in generation and supply of power directly to the consumers through open access.

....

Surcharge Formula:

$$S = T - [C / (1-L/100) + D + R]$$

Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution, and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution, and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying Regulatory assets if any.

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

- 5.2.12. Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee, Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

Table 57: Weighted Average Power Purchase Cost for FY 2025-26

Sl. No	Particulars	Value
1	Power Purchase Cost (excl. Tx charges)	1403.91
2	Power Purchase (MU) (total availability of units at discom periphery)	3156.04

3	Weighted Avg. Power Purchase cost (2/1) (Rs/kWh)	4.45
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Formula:

$$S = T - \left[\frac{C}{\left(1 - \frac{L}{100}\right)} + D + R \right]$$

- 5.2.13. For the purpose of computation of CSS, as per the formula, D needs to be computed, where D is the aggregate of transmission, distribution and Wheeling charges applicable to the relevant voltage level. The Commission has considered Wheeling Charges (WC) (as approved in the earlier section of this Order), Transmission Charges – Intra State Charges (TC) & Inter-State Charges (PC).

Table 58: Computation of Intra-State Transmission Charges (TC) & Inter-State Charges (PC) for FY 2025-26

Computation of Intra-State Transmission Charges (TC) component	Amount
MePTCL ARR (A) (Rs Cr)	148.66
Energy sales (B) (MUs)	1963.45
Average Intra-State Transmission Charge (TC) ((A/B) * 10) (Rs/kWh)	0.76
Computation of Inter-State Transmission Charge (PC) component	Amount
PGCIL Cost (Rs Cr)	114.17
Energy sales (MUs)	1963.45
Average Inter-State Transmission Charge (TC) ((A/B) * 10) (Rs/kWh)	0.58
Total transmission Charge (Rs/kWh) (TC + PC)	1.34

- 5.2.14. For intra-state open access consumers, the Commission considers the Transmission Tariff (STU charges) for intra-state open access transaction at Rs. 15779.07/MW/per day and fraction thereof for FY 2025-26, as approved in MSERC Revised ARR Order of MePTCL for FY 2025-26. The quantum of power in MW will be considered as the Contracted capacity/ Scheduled capacity/ Actual power flow whichever is higher.
- 5.2.15. The Commission further considers that the Inter-state Open Access consumers, in addition to STU Charges, will be liable to pay CTU (Inter-state transmission network) charges of Rs 0.58/unit as determined in the above table towards Transmission Wheeling.
- 5.2.16. Accordingly, Commission considers the aggregate of transmission, distribution and wheeling charge as follows,

Table 59: Computation of Aggregate of transmission, distribution, and Wheeling Charges for FY 2025-26 (Rs/kWh)

Particular	Amount
Wheeling Charges (Rs/KWh) (refer section 5.1.3 above)	1.96
Total transmission Charge (Rs/kWh) (TC + PC)	1.34
Aggregate of transmission, distribution, and Wheeling Charges (Rs/kWh)	3.30

Table 60: Computation of Cross Subsidy Surcharge for FY 2025-26

Voltage Level	T = Tariff (Rs. /kVAh)	C = Average Cost of Power Incl. PGCIL Cost (Rs. /kWh)	L = Losses (%)	D = Aggregate of transmission, distribution, and Wheeling Charges (Rs. /kWh)	R = Regulatory Assets (Rs. /kWh)	S = Surcharge (Rs/kWh)	Limited to 20% of Tariff (Rs. /kWh)
	1	2	3	4	5	6	7
HT Level	10.17	4.45	5%	3.30	0	2.19	2.03
EHT Level	10.15	4.45	3%	3.30	0	2.27	2.03

5.2.17. **The Commission considers Cross subsidy surcharge for HT consumers and EHT consumers at Rs. 2.03 /kWh for FY 2025-26.**

Separate CSS for Ferro Alloys Industries for FY 2025-26:

5.2.18. Licensee has not projected any Cross Subsidy Surcharge for Ferro Alloys industries for FY 2025-26.

$$S = T - \left[\frac{C}{\left(1 - \frac{L}{100}\right)} + D + R \right]$$

Table 61: Computation of Cross Subsidy Surcharge for Ferro Alloy Industries for FY 2025-26

Voltage Level	T = Tariff (Rs. /kVAh)	C = Average Cost of Power Incl. PGCIL Cost	L = Losses (%)	D = Aggregate of transmission, distribution, and Wheeling Charges (Rs. /kWh)	R = Regulatory Assets	S = Surcharge (Rs/kWh)	Limited to 20% of Tariff (Rs/kWh)
	1	2	3	4	5	6	7
HT Level	7.06	4.45	5%	3.30	0	-0.92	0.00
EHT Level	6.95	4.45	3%	3.30	0	-0.94	0.00

- 5.2.19. **Commission considers Cross subsidy surcharge for Ferro Alloy Industries HT and EHT consumers at NIL for FY 2025-26.**

5.3. Additional Surcharge

Petitioner's Submission

- 5.3.1. The Petitioner claimed additional surcharge in additional submission dated 14.01.2025. As per Regulation 25 of the MSERC (Terms and Conditions of Open Access) Regulations, 2012:

"25. Additional Surcharge

(1) Additional Surcharge

A consumer availing open access and receiving supply of electricity from a person other than the distribution licensee of his area of supply shall pay to the distribution licensee an additional surcharge, in addition to wheeling charges and cross subsidy surcharge, to meet the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.

The additional surcharge for obligation to supply shall become payable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments including transmission charges etc, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such contract.

The distribution licensee whose consumer intends to avail open access shall submit to the Commission within thirty days of receipt of application an account of fixed cost paid by such open access user which the licensee is incurring towards his obligation to supply and demonstrate if any part of the fixed cost has become stranded.

The Commission shall scrutinize the statement of accounts submitted by the licensee and obtain objections, if any, of the consumer and determine the amount of additional surcharge, if any, payable by the consumer.

The additional surcharge shall be levied for such period not normally exceeding one year as the Commission may determine."

- 5.3.2. The Petitioner stated that distribution utilities must supply power to all consumers in their licensed area, leading them to enter long-term Power Purchase Agreements (PPAs). Some consumers also use short-term open access, causing fluctuations in demand. When open access is used, the utility may need to back down generation or sell excess power at lower market rates, while still paying full capacity charges. To recover these costs, utilities charge an additional surcharge to open access consumers.

5.3.3. The Petitioner further submitted that in Meghalaya, the scenario is a bit different due to the predominance of hydro sources, which have a must-run status and cannot be backed down. The pattern of open access consumption in the state shows that most open access is utilized during off-peak hours when market rates are lower, while power from the Petitioner is consumed during peak hours. Consequently, DISCOM is forced to sell power from must-run plants at lower market rates, leading to an under-recovery of power purchase costs.

5.3.4. To ensure that the fixed charges liability is recovered completely, the Petitioner proposes the following methodology for computation of additional surcharge.

Step 1: Computation of the fixed charges liability of the Petitioner.

Step 2: Computation of Fixed Charges recovered from the Consumer.

Step 3: The differential amount which recovered as a part of energy charges.

Step 4: The per unit fixed charge that is recovered through energy charges.

Table 62: Claimed Computation of additional surcharge for FY 2025-26

Sl. No.	Particular	Unit	Submitted by Petitioner
1	Fixed Charges Liability Hydro Projects (ISGS)	Rs. Cr.	256.85
2	Fixed Charges Liability Hydro Projects (SGS)	Rs. Cr.	567.88
3	Fixed Charge Liability Thermal	Rs. Cr.	241.9
4	Fixed Charge Transmission (ISTS)	Rs. Cr.	0.00
5	Distribution Fixed Cost	Rs. Cr.	0.00
6	Inter-State Transmission Fixed Cost	Rs. Cr.	0.00
7	Total Fixed Charge Liability	Rs. Cr.	1066.63
8	Fixed Charges Recovery	Rs. Cr.	355.58
9	Fixed Charges to be Recovered Through EC	Rs. Cr.	711.05
10	Projected Sales	MU	2168.43
11	Per Unit Recovery of FC through EC	Rs. /kWh	3.28

Note- Since the distribution fixed cost and the transmission fixed cost is recovered through wheeling charges separately, the same has not been considered here.

5.3.5. The Petitioner has proposed that since the projected energy of 2168.43 MU assumes no open access, any reduction in consumption due to open access will affect the recovery of fixed charges through energy charges. Therefore, the Petitioner has proposed an additional surcharge of Rs. 3.28/kWh for

consumers opting for open access, which will be in addition to the wheeling charges and cross-subsidy surcharge.

Respondents' submission in this regard

- 5.3.6. Dalmia Cements has submitted that the present methodology adopted by the Petitioner for levying Demand Charges on HT and EHT consumers at 100% of the Contract Demand is inconsistent with the prevailing practices in most other states, where Demand Charges are typically applied on 75% to 85% of the Contract Demand or the Recorded Demand, whichever is higher. Furthermore, given that the Respondent has mentioned that the Petitioner is unable to ensure an uninterrupted power supply on demand, and thus have proposed the Demand Charges to be reduced proportionately for the duration of non-supply. In light of these considerations, Dalmia Cements has requested the Commission to direct the Petitioner to levy Demand Charges on 75% of the Contract Demand or the Recorded Demand, whichever is higher, and to proportionately reduce the charges for periods when supply is not available on demand.
- 5.3.7. Dalmia Cement has also stated that the Petitioner in its additional submission, has proposed an Additional Surcharge of Rs. 3.28/kWh on Open Access transactions, based on fixed cost recovery from energy charges. The Objector has submitted that the computation of this surcharge should incorporate key factors such as surrendered energy from ISGS/SGS/Thermal sources, the impact of stranded energy (i.e., effective fixed cost per unit), and the Open Access quantum for FY 2023-24 and FY 2024-25 (till December 2024). In view of the above, Dalmia Cement has requested the Commission to disallow the proposed Additional Surcharge for Open Access consumers for FY 2025-26 and direct the Petitioner to submit a fresh proposal based on an appropriate methodology.
- 5.3.8. BIA has also objected to the Petitioner's proposal for an additional surcharge of Rs. 3.28/kWh, arguing that it does not comply with the Meghalaya State Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulations, 2012 and have contested that as per Regulation 25(1)(b), additional surcharge is applicable only if it is conclusively demonstrated that the existing power purchase commitments have been stranded due to open access consumers, however the Petitioner has not provided any verifiable data to substantiate it claim.
- 5.3.9. While the Petitioner has computed the additional surcharge based on projected energy sales of 2168.43 MU, assuming that any reduction in consumption is due to open access usage, BIA has argued that there could be multiple reasons for lower energy consumption, such as seasonal demand variations or changes in industrial activity, hence basing the surcharge

calculation purely on assumptions do not comply with regulatory requirements.

- 5.3.10. Another major objection raised by BIA is that additional surcharge is justified only when power purchase commitments become stranded, forcing the licensee to bear unavoidable fixed costs, but the Petitioner has not demonstrated any stranded capacity and, in reality, it has been actively procuring short-term power and engaging in power banking. Additionally, the Respondent has also highlighted that the ongoing load shedding contradicts the claim that surplus power is available and getting stranded.
- 5.3.11. The Respondent has objected to the point that while the Petitioner has argued that power from must-run plants was being sold at a loss in the market, leading to under-recovery of power purchase costs, but the data from FY 2023-24 contradicted this claim, as the Petitioner had sold 131.81 MU in the Indian Energy Exchange (IEX) at Rs. 9.33/kWh, while the highest power purchase cost was Rs. 6.06/kWh. Thus, the Respondent has highlighted that since the Petitioner has actually made a profit and not a loss, on surplus power sales, the need for additional surcharge becomes invalid.
- 5.3.12. The Respondents have pleaded that the proposed surcharge also violates Clause 8.5.1 of the National Tariff Policy, 2016, which states that additional surcharge should not be so high that it discourages competition. The Respondents have claimed that imposing Rs. 3.28/kWh as an additional charge would make open access financially unviable, contradicting the Electricity Act, 2003, which aims to promote competition and consumer choice in power procurement.
- 5.3.13. BIA has also highlighted that the Petitioner has not provided financial statements proving that fixed costs are unavoidable and directly linked to open access consumers. They have also mentioned that the surcharge should be based on actual financial impact, not projections and since power purchase costs vary throughout the day, a fixed additional surcharge rate does not reflect the real cost burden, making the Petitioner's methodology flawed.
- 5.3.14. BIA has requested the Commission to reject the additional surcharge proposal due to non-compliance with regulations, lack of supporting data, and the potential anti-competitive impact on open access consumers and have also requested the Commission to ensure that any future additional surcharge is determined only on the basis of actual, verifiable stranded power purchase costs and not on assumptions or projections.

MePDCL's Response to Respondent's submissions

- 5.3.15. The Petitioner has denied the Objector's claims and have asserted that fixed charge liability is recovered through both demand charges and energy charges, thus a reduction in projected sales (2168 MU) due to open access consumption will impact fixed charge recovery. The Petitioner has also stated that Additional surcharge, if applied from the beginning of the year, would help Open Access Consumers plan their procurement better.
- 5.3.16. The Petitioner has responded to the objections raised stating that the power procurement from the open market is seasonal due to hydro-dependent generation, and the claim of load shedding is incorrect as no-load shedding has occurred since 2023.
- 5.3.17. To counter BIA's argument on Open Access consumption patterns, the Petitioner has submitted three months' data (Nov 2024 – Jan 2025) proving that Open Access Consumers primarily consume power from the Petitioner during peak hours.

Commission's Analysis:

- 5.3.18. Open access consumers procure power from the market when prices are lower but rely on the Petitioner's network during peak hours when market rates are higher. Since they do not contribute to the fixed cost embedded in the energy charge, the financial burden shifts to non-open access consumers, causing an increase in tariffs. This results in an unfair cost burden on consumers who are not availing open access.
- 5.3.19. The Commission acknowledges that fact that the recovery of fixed costs is primarily managed through demand charges, with the remaining portion embedded in energy charges, however, if the Petitioner were to recover the entire fixed cost solely through demand charges, it would result in excessively high demand charges for consumers, making electricity unaffordable for many.
- 5.3.20. The Commission is cognizant of the fact that tariff determination is based on projected sales and any deviation from these projections will lead to a shortfall in revenue realization, thereby increasing the true-up gap in subsequent years. Also, it has been observed that a significant portion of the Petitioner's sales is attributed to HT and EHT consumers. Thus, if a substantial number of these consumers opt for open access, then the Petitioner will face a revenue shortfall, which could impact its ability to meet fixed cost obligations.
- 5.3.21. The Commission observes that certain category of the consumers are allowed Open Access by MSERC in line with the provisions of Electricity Act 2003 and MSERC Open Access Regulation 2012, however, in the past the Commission

has not determined Additional Surcharge as per provisions of Section 25 (1) of Electricity Act 2003. In the absence of any Additional Surcharge, consumers who are availing electricity from market through Open Access when the prices are less and drawing power from the Petitioner when prices are high during peak hours, are not paying Fixed Cost which has been embedded in the Energy Charge. Such practices are creating additional burden on other consumers as True Up gap is increasing in subsequent year. This will have spiralling effect on the Tariff and consumers who are not availing power through open access will suffer a lot.

- 5.3.22. The Commission is considered opinion that Open Access consumers will be liable to pay Additional Surcharge for number of units drawn under Open Access and the State Load Despatch Centre (SLDC) will be maintaining the detailed accounting of such open access drawals.
- 5.3.23. The Commission feels that to mitigate risk of Fixed Cost under-recovery, an additional surcharge is required to be levied on open-access consumers to compensate for the costs borne by the Petitioner arising out of its obligation to supply power under Section 42(4) of the Electricity Act, 2003 provides as under:

“Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.”

- 5.3.24. Further, Section 8.5 of the National Tariff Policy 2016 also provides:
- “The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges”.*

- 5.3.25. Further, clause 5.8.3 of the National Electricity Policy notified by the Ministry of Power, Govt. of India, reads as under.

“5.8.3... An additional surcharge may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access...”

- 5.3.26. Regarding the claim of load shedding, the Commission takes note of MePDCL's assertion that no load shedding has occurred since 2023. However, it directs the Petitioner to provide documentary evidence or system reports

to substantiate this claim to ensure transparency. Additionally, the Commission directs the Petitioner to explore strategic measures, such as improving operational efficiencies, optimizing power procurement, and introducing innovative tariff structures to minimize revenue shortfalls and enhance financial sustainability.

- 5.3.27. The Commission also directs that in the event of lack of supply/ load shedding, Force Majeure or any other reasons whatsoever, due to which the Petitioner fails to supply electricity to meet the demand of the Open Access consumers, Additional Surcharge shall not be applicable for such period.
- 5.3.28. Fixed Cost liability of the Petitioner is a sunk cost and it is required to be ensured that all the consumers pay such cost to the Petitioner. The Commission has sought additional information regarding source-wise power purchase fixed and energy charges in Second Additional Information requirement vide dated 18.02.2025 in response to which the petitioner vide dated- 18.03.2025 stated that they have already submitted in additional information-I and has not submitted any further source wise Power purchase details. Hence, based on the available data and in line with Section 42 (4) of the Electricity Act, 2003 and relevant provisions of Section 25 of the MSERC (Open Access Regulations) 2012, the Commission has determined the additional surcharge as follows:

Methodology for Determination of Additional Surcharge adopted by the Commission.

- 5.3.29. The Commission has commenced the analysis by determining the Total Fixed Cost (TFC) liability of the Petitioner, amounting to Rs 962.04 Cr at the DISCOM periphery. This is a subset of the Total Power Purchase Cost of Rs 1,403.91 Cr at the same periphery level with the residual cost of Rs 441.87 Cr (i.e. Rs 1,403.91 Cr - Rs 962.04 Cr), has been allocated to the Energy Cost component.
- 5.3.30. Given that the Petitioner will be selling surplus power of 842.36 MU at the State periphery i.e. STU-CTU level, this power cannot be classified as stranded. Consequently, the Petitioner is entitled to recover only the unrecovered fixed costs from Open Access (OA) consumers.
- 5.3.31. The per-unit energy cost at the DISCOM periphery was computed based on the energy procured from various generating stations, considering transmission losses and applicable rates. The summary of energy cost determination is as follows:

Table 63: Per unit energy cost determination for FY 2025-26

SL. No.	Generating Station	Energy Procured (MU)	Energy Cost Per Unit (Rs)	Total Energy Cost (Rs Cr)	Per Unit Energy cost @DISCOM periphery
1	Pallatana	471.83	2.10	99.03	2.25

SL. No.	Generating Station	Energy Procured (MU)	Energy Cost Per Unit (Rs)	Total Energy Cost (Rs Cr)	Per Unit Energy cost @DISCOM periphery
2	Bongaigaon	526.54	3.85	202.7	
3	AGTPPC-Cycle	38.48	4.39	16.89	
4	AGBPP	32.98	4.73	15.58	
5	Short-Term Market	227	Month-wise Rate considered	107.66	
6	Total	1,296.83	-	441.87	

- 5.3.32. The revenue from surplus power sales was bifurcated into Fixed Cost (FC) and Variable Cost (VC) components based on their respective proportions in the total power purchase cost.

Table 64: Total Power Purchase Cost at DISCOM periphery

Cost Component	Derivation	Amount (Rs Cr)
Total FC @DISCOM Periphery	1	962.04
Total EC @DISCOM Periphery	2	441.87
Total Power Purchase Cost @DISCOM Periphery	3 =1+2	1,403.91
EC Per Unit @DISCOM Periphery	4	2.25

- 5.3.33. The revenue realization from surplus power sales (842.36 MUs at State periphery i.e. STU-CTU level) at Rs 8.19 / kWh is computed as follows:

Table 65: Total revenue from surplus power at STU-CTU periphery

Cost Component	Derivation [#]	Amount (Rs Cr)
Total Revenue from Sale of Surplus Power	A= (8.19* 842.36/10)	690.06
Fixed Cost Recovery from Surplus Power Sale	B= (Derivation 1/ Derivation 3) *A	472.87
Energy Cost Recovery from Surplus Power Sale	C = (Derivation 2/ Derivation 3) *A	217.19

#Linked to the Table 64 above

- 5.3.34. Following the surplus power sale, the adjusted Fixed and Energy Costs in consideration to Power Purchase cost from different sources and Surplus Power sale are determined as:

Table 66: Total Power Purchase Cost at DISCOM periphery

Component	Adjusted Value (Rs Cr)	Adjusted Cost Rs. / kWh
Adjusted FC (Total Fixed Cost of Power purchase – Fixed cost of Surplus power)	489.17	2.49
Adjusted EC (Total Energy Cost of Power purchase – Energy cost of Surplus power)	224.68	1.14

- 5.3.35. Total energy sales are approved at 1,963.45 MU for FY 2025-26 as depicted under respective sections of this Order.
- 5.3.36. Considering the Demand charge (Rs/Unit) payable by the HT/EHT consumers and Adjusted Fixed Cost of Power as computed above, the category wise Additional Surcharge is determined as below:

Table 67: Demand Charges of Industrial and Ferro Alloy category (Rs./ kWh)

Category	HT Consumers	EHT Consumers
Industrial	4.60	1.28
Ferro Alloy	1.14	1.12

Table 68: Additional Surcharge of Industrial and Ferro Alloy category (Rs./ kWh)

Category	Derivation	Computed Value	Approved Additional Surcharge (FY 2025-26)
Industrial HT	= (2.49 – 4.60)	-2.11	0.00
Industrial EHT	= (2.49 – 1.28)	1.21	1.21
Ferro Alloy HT	= (2.49 – 1.14)	1.35	1.35
Ferro Alloy EHT	= (2.49 – 1.12)	1.38	1.38

- 5.3.37. Other Open Access charges in addition to the Additional Surcharge payable by the Open Access consumers are summarized in the tables below,

Table 69: Cross-subsidy Surcharge of Industrial and Ferro Alloy category (Rs./ kWh)

Category	HT Consumers	EHT Consumers
Industrial	2.03	2.03
Ferro Alloy	0	0

Table 70: Distribution wheeling charge of Industrial and Ferro Alloy category (Rs./ kWh)

Category	HT Consumers	EHT Consumers
Industrial	1.96	1.96
Ferro Alloy		

Table 71: Transmission Wheeling Charge of Industrial and Ferro Alloy category (Rs. / kWh)

Category	HT/EHT Consumers
CTU Charge (Rs/Unit) (applicable for inter-state Open Access Consumer)	0.58
STU Charge (Rs. /MW/per day or fraction thereof)	15779.07

- 5.3.38. This methodology ensures an equitable allocation of fixed costs to Open Access consumers while aligning with Regulatory principles. The approach accounts for surplus power sale dynamics, ensuring revenue neutrality for the DISCOM while maintaining affordability for eligible consumers.

6. Other Tariff Proposals

6.1. Tariff for Electric Vehicle Charging Stations

Petitioner's Submission

- 6.1.1. The Petitioner submitted that Government of India has proposed 43 EV charging sub-stations under the revenue sharing scheme in the state of Meghalaya. Further, the Petitioner mentioned that it has already got one proposal from EESL for construction of 25 Nos. of EV Charging stations at various locations in the state. The proposed capacity of each station is 48 kW. Accordingly, considering a load factor of 50%, an additional energy consumption of 8.92 MU has been estimated by the Petitioner for FY 2025-26.

Commission's Analysis

- 6.1.2. The Government of Meghalaya has introduced the Policy for Electric Vehicle 2021, wherein the targets for the penetration of Electric Vehicles in the total vehicles in Meghalaya has been set as 15% by 2025. In view of the same it is expected that the number of Electric Vehicles and charging stations are expected to increase in near future.
- 6.1.3. The petitioner, vide First Additional Information requirement dated 02.01.2025, is asked to provide the status report of EV charging station, elaborative explanation of Roadmap and action plan for upcoming EV charging station. Also, the Petitioner is directed to clarify the consideration of Load factor as 50% only in case of EV charging Station vide Para no. 5.3 subclause no 3 of the petition.

In response, the Petitioner has submitted that EESL has approached for setting up the EV charging stations in Meghalaya on revenue sharing basis. At present the process of land identification for the proposed EV Charging Stations is in progress. Further, the Petitioner has submitted that as per the targets of Ministry of Power, Meghalaya has to set up 43 EV charging stations hence the same has been considered while computing revenue. Also, the Petitioner has added that as per the MSERC (Electricity Supply Code) Regulations, 2018 the load factor for various categories has been decided under Regulation 7.1 (3) however, there is no load factor for the EV Charging Stations hence, the Petitioner has considered the highest load factor i.e., 50% (applicable for public lighting category) for EV Charging Stations.

- 6.1.4. The Commission notes that the Petitioner is yet to submit the status report with regard to the Registered Consumers with connected load seeking electric supply for vehicle charging stations with the Discom. Hence the Commission directs the Petitioner to submit the aforementioned status report along with the Proposal letter of EESL accepted by the Petitioner for

installing the EV charging station within 15 days of publishing this Tariff Order. Further, the Commission directs the Petitioner to provide the Land Identification Report and Action plan considered for developing the EV charging station on the land from time to time.

- 6.1.5. Till such time detail report on EV is submitted, ***the Commission allows Rs 7.50/kWh tariff for Electric Vehicle Charging stations in Meghalaya.***

6.2. *Unmetered Public Lighting Services*

- 6.2.1. The Commission notes that the Petitioner had requested for an extension of time for replacement of unmetered public lighting services upto 15.03.2025.
- 6.2.2. Commission had extended the time limit upto 15.03.2025 to replace 100% unmetered public lighting connections with metered LED fittings and fixtures.
- 6.2.3. The Commission observed that the Petitioner is non-compliant to this directive since FY 2021-22, as the project of installing LED fittings and fixtures has no progress from that financial year. The licensee is directed to expedite the execution of this project and to file status report by 30th June 2025. Failure to submit the status report will be deemed to be considered as violation of Commission's directive. The Petitioner has also been directed by the Commission to file the status report along with the ARR petition also for next year.
- 6.2.4. The Commission considers to continuing with the existing arrangement for billing the unmetered public lighting connections as stop gap measure, and has directed the Petitioner to file the status of completion of the 100% replacement of unmetered public lighting connections with LED fittings and fixtures by end of the FY 2025-26.

6.3. *Time of the day Tariff*

Commission's Analysis

- 6.3.1. The Petitioner, vide Second Additional Information requirement dated 18.02.2025 sought by the Commission, was directed to submit ToD pattern wise sale for last 5 years for all the relevant categories. However, the Petitioner has failed to respond this query. Due to lack of data, the Commission couldn't analysis the accurate ToD sales and its timely consumption pattern.
- 6.3.2. Accordingly, the Commission considers Time of the day tariffs shall be applicable for FY 2025-26 as depicted in the table below:

Table 72: Approved Time of Day Tariff for FY 2025-26 (Rs. /kVah)

	Existing Energy Charges	Approved Energy Charges
--	--------------------------------	--------------------------------

Time Slot	HT Industrial	EHT Industrial	HT Industrial	EHT Industrial
06:00 hrs. to 17:00 hrs. (normal)	6.51	9.43	5.57	8.87
17:00-23:00hrs (peak)	+20% of Normal	+20% of Normal	+20% of Normal	+20% of Normal
23:00-06:00hrs (night off-peak)	-15% of Normal	-15% of Normal	-15% of Normal	-15% of Normal

6.4. Load Factor

Respondents' submission in this regard

- 6.4.1. BIA has stated that in the MYT ARR Order dated 24.10.2024 in Case No. 32 of 2023, the Commission had approved the Penalty and Rebate clause on the basis of load factor, wherein the threshold limit for the load factor has been considered as 78%. Accordingly, BIA has requested that the rebate and penalty may be implemented by the Commission.

Commission's Analysis

- 6.4.2. The Petitioner, vide First Additional Information requirement dated 02.01.2025, was directed to submit its actual consumer category wise power factor and load factor and details of rebate provided (if any) for FY 2023-24 along with supporting documents. In response, the Petitioner stated that as per the Tariff Order issued by the Commission for FY 2023-24, the load factor rebate was to be provided on achievement of 78% load factor. Since, there was no consumer who has maintained the load factor of 78%, no rebate has been provided in FY 2023-24.
- 6.4.3. The Commission after due prudence check decided to discontinue the Load factor penalty and rebate for this time and this matter will be reviewed in future after obtaining more details from the Petitioner.

6.5. New Connection Charges

Petitioner's Submission

- 6.5.1. Ministry of Power, Government of India, notified the Electricity (Rights to Consumer) Rules, 2020 vide Notification dated 31st December 2020. These rules were subsequently amended in 2021, 2022, 2023 and 2024. As per Rule 4(13) of the Electricity (Rights to Consumer) Rules, 2020:

"(13) For electrified areas up to 150 kW or such higher load as the Commission may specify the connection charges for new connection shall be fixed on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection."

- 6.5.2. To comply with the provisions of the Electricity (Right to Consumer) Rules, 2020, the Petitioner has proposed the following new connection charges based on its estimates and has requested the Commission to approve the same.

Table 73: New Connection charges proposed by Petitioner.

Category of Charges	Amount
1. Application Fees	
Application fee for consumers other than industries consumers - Rs. 200 Add GST @18% - Rs. 30 Total - Rs. 236	Rs. 236
Application fee for industrial consumers- Rs. 10,000 Add GST @18% - Rs. 1800 Total - Rs. 11,800	Rs. 11,800
2. Service Connection Charges	
Single phase	
a) 1kW-5kW	Rs. 19881
Three phase: Service connection charges for three phase connection Low Tension supply (above 5 kW upto 50 kW)	
a) Above 5 KW-10 KW	Rs. 29,124
b) Above 10 KW- 15 KW	Rs. 32,045
c) Above 15 kW-20 kW	Rs.36,451
Above 20kW-30kW: Service connection can be either overhead or underground.	
a) Overhead	Rs.73,801
b) Underground	Rs. 3,15,385
Above 30KW upto SOKW: Service connection involves a sub-station, extension of 11KV line (LT Supply) and Metering.	
a) 25 KVA Sub-Station and line/km by 9.5 m GI Pole with metering 25 KVA Sub-Station – Rs. 5,21,576 11 kV line with GI Pole 9.5 m- Rs. 22,25,689 Metering – Rs. 25,661	Rs. 27,72,926
b) 25 kVA sub-station and line/km (ND) by 12 m GI Pole with metering 25 kVA Sub-Station – Rs. 5,21,576 11 kV line with GI Poles 12 m (ND)- Rs. 25,09,016 Metering – Rs. 25,661	Rs. 30,32,754
Above 30 kW upto 50 kW: Service connection involves a sub-station, extension of 11KV line (LT Supply) and Metering.	
a) 63 KVA Sub-Station and line/km by 9.5 meters GI Pole with Metering 63 KVA Sub-Station – Rs. 7,11,942 11KV line with GI poles 9.5 meter- Rs. 22,25,689 Metering – Rs. 25,611	Rs. 29,63,24
b) 63KVA Sub-Station and line/Km by 12 meters (ND) GI Pole with Metering 63KVA Sub-Station – Rs. 7,11,942 11KV line with GI poles 12 meter (ND) – Rs. 25,09,016 Metering – Rs. 25,611	Rs. 32,46,569

Category of Charges	Amount
c) 100KVA Sub-Station and line/Km by 9.5 meters GI Pole with Metering 100 KVA Sub-Station – Rs. 8,40,080 11 KV line with GI Poles 9.5 m- Rs. 22,25,689 Metering – Rs. 25,611	Rs. 30,91,380
d) 100 KVA Sub-Station and line/Km by 12 meters (ND) GI Pole with Metering 100 KVA Sub-Station – Rs. 8,40,080 11 KV Lines with GI Poles 12 m (ND)- Rs. 25,09,016 Metering – Rs. 25,611	Rs. 33,74,707
e) 200KVA Sub-Station and line/Km by 9.5 meters GI Pole with Metering 200 KVA Sub-Station – Rs. 13,03,645 11 KV line with GI Poles 9.5 m- Rs. 22,25,689 Metering – Rs. 1,86,351	Rs. 37,15,685
f) 200 KVA Sub-Station and line/Km by 12 meters (ND) GI Pole with Metering 200 KVA Sub-Station – Rs. 13,03,645 11 KV line with GI Poles 12 m (ND)- Rs. 25,09,016 Metering – Rs. 1,86,351	Rs. 39,99,012
3. Security Deposit	
i. LT Supply	
a) Domestic (DLT)	Rs. 2011/kW
b) Non-Domestic (CLT)	Rs. 5046/kW
c) Industrial Low Tension	Rs. 4355/kVA
d) Public Water Supply (WSLT)	Rs. 4121/kW
e) Agriculture	Rs. 1123/kW
f) General Purpose	Rs. 4090/kW
g) Public Lighting	Rs. 5929/kW
h) Crematorium	Rs. 1769/kW
i) Electric Vehicle Charging Stations	Rs.5508/kW
ii. HT Supply	
a) Domestic (DHT)	Rs. 1493/kVA
b) Non-Domestic (CHT)	Rs. 3076/kVA
c) Industrial High Tension	Rs. 3515/kVA
d) Public Water Supply (WHST)	Rs. 2868/kVA
e) General Purpose Bulk Supply (BS)	Rs. 2609/kVA
f) Ferro Alloys HT (FAHT)	Rs. 3494/kVA
g) Electric Vehicle Charging Stations	Rs. 3673/kW
iii. Security Deposit for EHT Supply	
i) Industrial IEHT	Rs. 5092/kVA
ii) Ferro Alloys EHT	Rs. 3461/kVA

**The Rates of Security Deposit are subject to change as per the approval of Hon'ble
MSERC from time to time.*

- 6.5.4. Once the rates are approved by the Commission, the Petitioner has proposed to publish the same and also display them on its website in compliance to the provisions of Electricity (Right to Consumer) Rules, 2020.

Respondents' submission in this regard

Respondent has not raised any objection in this regard.

Commission's Analysis

The Commission approves the new connection charges as proposed by the Petitioner.

Petitioner's Submission

6.5.5. As per the Electricity (Rights of Consumer) Rules, 2020:

[(8A) Time of Day Tariff. -The Time-of-Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:

Provided that, the Time-of-Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:

Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:

Provided also that the Time-of-Day Tariff shall be applicable on energy charge component of the normal tariff.

6.5.6. In view of the above rules, the Petitioner has submitted that as on date only Industrial HT and Industrial IEHT consumers are covered under the TOD Metering. The Petitioner has proposed that in compliance with provisions of the Electricity (Rights of Consumer) Rules 2020, the ToD shall be made mandatory for all the industrial and commercial consumers having connected load of 10 kW and above with the ToD for other categories being made mandatory after 1st of April 2025.

6.5.7. The Petitioner has submitted that as on date 104039 smart meter capable of incorporating TOD have been installed under ADB scheme and further, the award of contract for smart metering under RDSS is on the verge of finalization, thus all the consumers are expected to be covered under Smart Metering arrangements by March 2025.

Respondents' submission in this regard

6.5.8. Respondent has not raised any objection in this regard.

Commission's Analysis

- 6.5.9. The Commission states that as proposed by the Petitioner, the Commission has approved Peak and off-peak tariff as stated in Section - 9 of this Order. Further, the Commission directs the Petitioner to approach the Commission with appropriate data during the next Tariff filing process.

6.6. Introduction of Cash Back for Domestic Consumers to Encourage Online Payment of Bills

Petitioner's Submission

- 6.6.1. To encourage online bill payments, the Petitioner proposed a cashback scheme for domestic consumers. Under this scheme, the Petitioner mentioned that it would cover all transaction charges for online payments made through BBPS platforms. Consumers who pay online will receive a 1% cashback, subject to the following conditions:
- a) The payment is made in full (current bill amount) and within the due date as per the bill.
 - b) The cashback will be provided only on the energy charge component.
 - c) Consumers who pay bills within the due date for 12 consecutive months will be eligible for an additional 1% cashback on the total energy charges billed during these 12 months, up to a maximum of Rs. 1200.
 - d) The amount will be adjusted in the electricity bill at the end of 12 billing months.
- 6.6.2. The Petitioner has sought in-principle approval from the Commission for this scheme. The Petitioner has further requested the liberty to withdraw the scheme before or after implementation, based on a feasibility study.

Commission's Analysis

- 6.6.3. The Commission after having examined the proposal and with a view to encourage online payment of bills by the consumer approves the proposed cashback scheme for Domestic Consumers. Furthermore, the Petitioner is directed to provide the details to the Commission on the amount of cashback given during True-up petition.

7. Commission's Review of Directives

7.1. Introduction

- 7.1.1. Commission has reviewed the Directives issued earlier in the Tariff Orders up to FY 2024-25 and noted that some of the Directives are complied and some are partially attended.

7.2. Review of Directives

7.2.1. Energy Audit

The licensee shall submit progress report for every quarter in the FY 2024-25.

Status of Compliance

The Petitioner submitted that the energy audit has been completed for 3 quarters of FY 2024-25. The energy audit report for 1st and 2nd quarter has already been submitted before the Commission and the same has been uploaded on the website of the corporation also. The report of 3rd quarter will be submitted to the Commission in due course of time.

7.2.2. Energy Conservation and DSM

The Commission has directed that 100% (277 nos.) CFL fittings be replaced with metered LED fittings by September 2023 which will boost the Energy sales and Revenue from sale of power and in response the Petitioner has responded as under:

- i. 78 no's CFL fixtures have been replaced with LED fittings in FY 2021-22, and additional new LED fittings have been installed at 169 locations.
- ii. The remaining 199 CFL fittings (out of 277) are still pending as per the directive.
- iii. The Petitioner shall furnish the location wise metered consumption comparing with the assessed Energy for the 78 CFL fixtures replaced out of 277.

Status of Compliance

The Petitioner humbly sought time till 15th March 2025 for submission of the detailed status report on the compliance of this directive.

Commission's Views

The Commission has allowed to submit the details as per time requested by the petitioner.

7.2.3. Manpower Utilization Study

The Commission has directed the Petitioner vide MYT Order dated 28.10.2024 the followings:

- i. The Petitioner to pursue the matter with the MeECL and State Govt. on the subject for deployment of additional manpower.
- ii. Commission shall examine financial commitment in the ARR wherever considered necessary.
- iii. Licensee shall report progress periodically to the Commission.

Status of Compliance

The Petitioner has appraised the Commission that the Government of Meghalaya, High Powered Committee (Power) (HPC) in its meeting held on 2nd March 2023 has approved for filling up critical posts on minimum requirement on contractual basis. The petitioner has also submitted the MoM of HPC.

Further, the Petitioner has mentioned that the recruitment for the post of Assistant Engineer (Elect/Mech/Civil) and Junior Engineers (Elect/Mech/Civil) on contractual basis has been notified.

Further, the Petitioner also mentioned that the HPC (Power) in its meeting held on 29.08.2024 has also approved the recruitment to the post of Field Engineers (Elect/Mech/Civil) and Field Supervisors (Elect/Mech/Civil) on contractual basis on minimum requirement.

Commission's Views

The Commission directs the Petitioner to take follow up action and place with the Commission an updated status at the earliest.

7.2.4. Energy Accounting Under UI/Swapping

The Petitioner is invariably required to furnish the Energy account of bilateral arrangement source wise transacted under UI and Swapping in the audited accounts for sale and purchase along with the True up petition.

Status of Compliance

The energy account of bilateral arrangement source wise transacted under UI and swapping has been shared by the Petitioner. The Petitioner has further claimed that the energy account as directed by the Commission will be reflected in the Audited Accounts for FY 2024-25.

Commission's Views

The Commission directs the Petitioner to furnish the Energy account of bilateral arrangement source wise transacted under UI and Swapping in the audited accounts for sale and purchase along with the True up petition for subsequent years and this submission needs to be substantiated by the data from the SLDC/Transmission utility.

7.2.5.

Functioning of the Trust

The Petitioner is required to discharge the liability towards pension, gratuity and leave encashment expenditure from the Trust Funds.

Status of Compliance

The Petitioner has submitted that the Commission in the recent tariff Order for FY 2024-25 has allowed recovery of the accrued terminal liabilities in 10 annual instalments. Since, the Order was issued in October 2024, the contribution shall be transferred to the trust by the end of the year i.e., March 2025.

Commission's Views

The Commission has taken due cognizance of this Pension Liabilities in the respective section of this Order.

7.2.6.

Reduction in AT&C losses

The Petitioner is required to expedite implementation of RDSS project and complete by March 2026 to avail the Govt. grant while achieving the objective of reduction in AT&C losses.

Status of Compliance

The Petitioner has submitted the detailed report of all the schemes ongoing for loss reduction works .

Commission's Views

The Commission directs the Petitioner to expedite implementation of RDSS project and complete the scheme as per timelines stipulated by Ministry of Power.

7.2.7.

Power Purchase

The Petitioner is required to re-verify the Energy balance computation and point out specifically where it went illogical and to keep in a record of advance estimate of surplus power in the manner estimated before procurement as per Regulations.

Status of Compliance

The Petitioner has submitted that they have appointed NVVN Ltd as a consultant for power portfolio management. The exercise of the estimation of surplus power is being done on month-on-month basis for upcoming 6 months. The estimates for April 25 to Oct 2025 have already been done and the same has been filed.

Commission's Views

The directive related to power purchase and surplus power sale has been issued by the Commission in the respective section of this Order. The Petitioner is directed to compile all the directives and submit compliance report from time to time along with the ARR petition as well.

7.2.8.

Metering, Billing and Collection Efficiency:

The Commission observed from the report that in totality there are 18 Nos. of complaints pending from the Month of April to September 2023 and directed the Petitioner to resolve the pending complaints and submit the report to the Commission.

Status of Compliance

The Petitioner has submitted that the Complaints have been resolved and the detailed updated status of the complaints shall be submitted before the Commission by 15th March 2025.

Commission's Views

The Commission hereby directs the Petitioner to submit the reports of complaints raised by any stakeholder and consumer along with the action taken to solve the issue from time to time.

7.2.9.

Un-Billed Consumers

The Petitioner is required to ensure all the new connections are metered and billed invariably.

Status of Compliance

The Petitioner has submitted that under the RDSS new Unified Billing Agency has been appointed which has taken over in September 2024 and thus the directive of the Hon'ble Commission is being complied on a regular basis.

Commission's Views

The Commission directs the Petitioner to submit the updated report from time to time.

7.2.10.

Regulatory Accounts

Commission has directed MePDCL to submit the Regulatory Accounts as per the prescribed methodology.

Status of Compliance

The Petitioner has submitted the formats of the Regulatory Accounts submitted and approved by Hon'ble Commission. Since, the final true up Order for FY 2022-23 was approved in October 2024, the Petitioner is in the process of preparation of the regulatory accounts which shall be completed by end of March 2025. However, the Petitioner has requested Hon'ble Commission to consider the Regulatory accounts from next true up.

Commission's Views

The Commission observes that the Regulatory Formats have to be submitted during each year True-up/ARR petition.

7.2.11. Electric Vehicle Charging Stations Status of Compliance

Commission has directed the Petitioner to submit the status report on EV charging station in the state.

Status of Compliance

The Petitioner has submitted that as on date there is no EV charging station in the state. However, the Petitioner has received a proposal from EESL for constructing EV charging stations on revenue sharing basis. The Petitioner informed that it is currently in the process of identifying the location for the Charging Stations and assured of substantial progress in next financial year in this regard.

Commission's view

The Commission allows Rs 7.50/kWh tariff for Electric Vehicle Charging stations in Meghalaya.

The Commission directs the Petitioner to compile with all directives related to EV charging station and submit the compliance report and the status on EV charging stations.

7.2.12. Installation of ABT/Smart meters for Ferro Alloy Consumers

Commission has directed the Petitioner to update the progress on installation of ABT / Smart metres for Ferro Alloys.

Status of Compliance

The Petitioner has submitted that out of 7 Ferro Alloys consumers 2 have been installed with ABT meter and 4 have been installed with smart meters and for the balance one the material requisition is in progress and shall be installed shortly.

The Petitioner has also submitted that the smart metering is being taken up for all the consumers under ADB and RDSS schemes. As of now 19 Nos. of Smart meters along with 6 Nos. of check meters have been installed at 33 KV voltage level and 12 Nos. of smart meter along with 7 Nos. of check meters are installed at 11 KV voltage level.

The Petitioner has stated that under the ADB scheme Feeder meters and DT meters are also being taken up. The Feeder meters will be used for Energy Accounting.

Commission's Views

Commission directs the Petitioner to update the progress on installation of ABT / Smart metres for Ferro Alloys from time to time.

7.2.13. Tariff Rates for FY 2024-25

- i. Honourable SAC members during the SAC meeting held on 16.04.2024 have opined to arrange publication of the tariff rates to all the consumers.
- ii. In this respect, the Petitioner is required to circulate/display the tariff rates approved for the year to every consumer.
- iii. The Petitioner may arrange the pre-printed bills duly notified with tariff rates on the back side of the bill, as a one-time activity in a year.
- iv. The Petitioner was required to furnish the Compliance report on the above directive by 15.02.2025.

Status of Compliance

The Petitioner has submitted that the tariff booklets displaying the tariff rates of FY 2024-25 have already been published and distributed. Further, with regards to the pre-printed bills duly notified tariff rates on the back side of the bill, the Petitioner has submitted that a new Unified Billing Agency has been appointed which has taken over in September 2024 and the printing of the tariff rates on the back side of the bill will be taken up from FY 2025-26.

Commission's Views

Commission notes the submission made by the Petitioner.

7.2.14. Detection of Theft

- i. During the SAC meeting held on 16.04.2024, Honourable members has pointed out that rampant power theft was noticed in the in-coal mine area.
- ii. The Petitioner was advised to take immediate action to check the power theft by deploying the vigilance wing of the Discom.
- iii. The Petitioner was directed to submit the Action taken report by 15.02.2025.
- iv. The Petitioner was also directed to take up Efficiency Measures
- v. Honourable Member Mr. Pravin Bakshi, IAS, Commissioner & Secretary Food, Civil Supplies and Consumers Affairs, Government of

Meghalaya, have appreciated the performance of DISCOM in reducing the T&D losses to 12.83 % & and AT&C losses to 18.25% by implementing central Govt. schemes like NERSIP, RDSS over a period of five years.

- vi. Honourable Member further opined that the DISCOM shall ensure to employ billing App more user friendly in the areas of prepaid meters, billing, disconnections, bills not received in time and pending payments.
- vii. Honourable Member opined to check big defaulters and try their best with the support of law department and law officer to be able to realize defaulting bills.
- viii. The Petitioner was required to take initiative for providing free power for the first few units of BPL consumers, provided it is paid by Government in the form of grant.
- ix. Lastly, Hon'ble Member opined that the Petitioner should intimate the load shedding to the Consumers on time through bulk SMS so that it will not affect the genuine consumers.
- x. The Petitioner was directed to take immediate action on the issues raised by the Honourable member and submit a compliance report to the Commission.

Status of Compliance

The Petitioner has submitted that it has set up the Vigilance cell and have actively taken up the theft prevention measures. From January 2024 to December 2024 the Petitioner has taken up 11,250 inspections across various circles and has raised a compensation bill of Rs. 12.55 Crores for theft and other defaults, the detailed report of which has been submitted. The table below represents the circle wise bifurcation as submitted by the Petitioner:

Circle	No. of Inspections	Amount Of Compensation Bills Raised
Jowai Circle	1874	0.20
Ri-Bhoi Circle	3234	11.30
Shillong Circle	3699	0.58
Khasi Hills Circle	1652	0.16
West Garo Hills Circle	791	0.30
Total	11250	12.55

Commission's Views

The Commission hereby directs the Petitioner to update the status report from time to time.

7.2.15. The Commission hereby directs the Petitioner the following directives and is of the view that non-compliance of the directives may lead to non-admittance of the future petitions,

Table 74: Commission's Directive

Sl. No.	Particulars					Timeline
1.	Petitioner to submit Additional Capitalization funding structure for the respective year.					
	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.)	
2.	Petitioner to provide annual Grant data capturing the following details: a. Scheme wise grant allocation details					To be provided during the Next ARR petition for FY 2026-27
	Sl. No.	Scheme of Grant		Total Grant received		
	1	Scheme-1				
	2	Scheme-2				
	3	Scheme-M				
	b. Grant Capitalization details					
	Particulars	Opening Balance (As on 1 st April)		Closing Balance (As on 31 st March)		
	Grant Allocated					
	Grant Capitalized					
	Grant Amortized during the year					

Sl. No.	Particulars	Timeline																																																																
3.	<p>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: center;">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</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: center;">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</td><td></td><td></td><td></td></tr> </tbody> </table>	Particulars	Loan -1	Loan -2	Loan-N	Loan				Opening balance				Additional Loan drawl				Repayment				Closing Balance				Applicable Interest rate				Interest on Loan				Particulars	Loan -1	Loan -2	Loan-N	Loan				Opening balance				Additional Loan drawl				Repayment				Closing Balance				Applicable Interest rate				Interest on Loan				To be provided during the Next ARR petition for FY 2026-27
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4.	The Petitioner (MePDCL) to provide (in excel and PDF file) LT/HT/EHT Category (including the details of Kutir Jyoti and Special Tariff Category) wise, Metered/Unmetered sub-category wise and Slab wise Billing Determinants (No. of connections, Connected Load, Energy Sale) along with the Revenue earned from those consumer categories for the True-Up and Projected ARR years.																																																																	
5.	The Petitioner (MePDCL) is directed to submit the RPO compliance during the year, certified by SLDC, along with proper documentation including the details of availability of Power from Renewable generators as per PPA singed as well as its own renewable generation vis-à-vis Renewable Power procured with respect to the RPO percentage (%) mentioned in the MSERC RPO regulation, 3 rd Amendment, 2018.																																																																	

Sl. No.	Particulars	Timeline
6.	The Commission hereby directs the Petitioner to furnish actual power purchase cost from each generating source in details including Fixed cost (per unit and Rs Cr), Variable cost(per unit and Rs Cr), Rebate received, Late payment surcharge, Credit notes, and any Other charges with remarks and proper justification up to October of the year for which the Petitioner filling the ARR/MYT petition for assessing of Energy availability for ARR/MYT Order.	To be provided during the Next ARR petition for FY 2026-27
7.	MePDCL is directed that the amount allowed against terminal benefits be remitted to the Pension Trust and it shall pursue with the Government to release the balance amount due in respect of terminal benefits as per the Transfer Scheme notification along with interest accrued and the same shall be deposited in the Pension Trust.	
8.	The Commission directs the Petitioner to submit the status report of EV charging stations.	
9.	MePDCL is directed to submit the monthly progress report of Energy Audit for True-Up and ongoing financial year as well as the Current status of RDSS scheme which was directed by the Commission to be completed within FY 2023-24 as per the Tariff Order dated 11.04.2023.	
10.	MePDCL is directed to submit the Total Number of employees for past 3 years (needs to be bifurcated in existing and retired during the financial years) and the projection of Employees for ensuing financial year for its distribution business.	
11.	MePDCL is asked to submit the details of action plan for improving the Performance and Billing efficiency.	
12.	MePDCL is directed to submit the Load Factor analysis report at different consumer category level mentioned on Contracted Agreement which should be in line with Supply Code regulation vis-à-vis Actual Load factor at the consumer end.	
13.	MePDCL is asked to submit a comprehensive report on Voltage wise Loss Accounting at various consumer category level.	
14.	MePDCL is directed to establish a Vigilance Cell to initiate investigations on its own and act on complaints received from public/ employees, with regard to violations of Company's rules and procedures and code of ethics in the conduct of the business. The detailed report with a summary of the action plan followed shall be submitted on monthly basis to the Commission.	
15.	MePDCL is further directed to ensure Zero Defect Billing.	
16.	MePDCL is also directed to ensure and submit a report of Last Mile Connectivity to the consumers in its supply area.	

The Petitioner shall file Status of the all the Directives mentioned in this Order under respective sections from time to time and a Compiled status report with all relevant supporting documents at the time of next ARR Petition.

8. Schedule of Approved Tariffs for FY 2025-26

8.1. Low Tension Tariff

8.1.1. Domestic (Low Tension)

This tariff shall be applicable for domestic consumption, which includes consumption.

- a. In a private dwelling house for lighting, heating, cooling, fans, and other household appliances.
- b. In temples, churches, mosques, gurudwaras and other places of religious worship:
- c. In hospitals, dispensaries, health centres, including those run by Central Government or by charitable, religious, or social organizations on a no - profit or non-commercial basis.
- d. In schools, colleges, hostels boarding houses for students run by Government or by charitable, religious, or social organizations on a no-profit or non-commercial basis: and
- e. In ashrams, dharamshalas, community halls and institutions run by recognized welfare organizations.
- f. MeECL offices and its employee's residences.

i) Kutir Jyoti/ BPL

Kutir Jyoti connections have been covered under Domestic category with metered and unmetered subcategories.

Metered and Unmetered Kutir Jyoti

The Petitioner has not proposed any tariff of Kutir Jyoti consumers. The Commission has allowed Rs. 4.57 per unit for BPL metered category up to consumption of 30 units. In case, they consume more than 30 Units then the billing of excess units shall be done on the Tariff prescribed for normal domestic consumers at appropriate slab rates.

Tariff for Kutir Jyoti/BPL (Metered) for FY 2025-26

Category	Existing Tariff	Proposed Tariff	Approved Tariff
Kutir Jyoti (Unmetered) (Rs. /Conn/month)	210.00	-	210.00
Kutir Jyoti (up to 30 units / month) Metered	4.57	-	4.57

ii) Domestic Consumers

The existing tariff is two-part Tariff. The fixed charge is levied based on kVA load per month and energy charges are applicable in 3 slabs with different rates for each slab. The Commission has not made any changes in the structure and approved the same. The revised rates for each slab and the fixed charges per KVA are given below in the Tariff.

Fixed Charges

Fixed charges for Domestic Consumers for FY 2025-26

Category	Existing Tariff (Rs. /kVA/month)	Proposed Tariff (Rs. /kVA/month)	Approved Tariff (Rs. /kVA/month)
Domestic (DLT)	90.00	-	90.00

Energy Charges

Energy charges for Domestic Consumers for FY 2024-25

Category	Slabs	Existing Tariff (Rs. /kWh)	Proposed Tariff (Rs. /kWh)	Approved Tariff (Rs. /kWh)
Domestic (DLT)	First 100 units	5.55	-	5.00
	Next 100 units	5.65	-	5.04
	Above 200 units	6.12	-	5.10

8.1.2. Non-Domestic Consumers / Commercial Consumers (Low Tension)

The existing Tariff has a structure of 2-part Tariff. The fixed charges are levied based on kVA load per month and energy charges are applicable for two slabs with different rates for each slab. The Commission has not made any changes in the structure and approved the same. The approved rate for each slab and the fixed charges per KVA are given below in the Tariff.

Fixed Charges

Fixed charges for non-Domestic consumers for FY 2025-26

Category	Existing Tariff (Rs. /kVA/month)	Proposed Tariff (Rs. /kVA/month)	Approved Tariff (Rs. /kVA/month)
Non- Domestic (CLT)	150.00	-	170.00

Energy Charges

Energy charges for non-Domestic consumers for FY 2025-26

Category	Slabs	Existing Tariff (Rs. /kWh)	Proposed Tariff (Rs. /kWh)	Approved Tariff (Rs. /kWh)
Non-Domestic (CLT)	First 100 units	7.62	-	7.50
	Above 100 Units	7.85	-	

8.1.3. Low tension Industrial

This category is applicable for small and medium industrial consumer who is given supply on low tension wires. The Commission has approved the following two parts without changing the structure of the current tariff keeping in view the present cross subsidy adjustment.

Fixed Charges

Fixed charges for Industrial (LT) consumer for FY 2025-26

Category	Existing Tariff (Rs. /kVA/Month)	Proposed Tariff (Rs. /kVA/Month)	Approved Tariff (Rs. /kVA/Month)
Industrial (ILT)	150.00	-	170.00

Energy Charges

Energy charges for Industrial (LT) consumer for FY 2025-26

Category	Existing Tariff (Rs. /kWh)	Proposed Tariff (Rs. /kWh)	Approved Tariff (Rs. /kWh)
Industrial (ILT)	7.20	-	6.80

8.1.4. Public Lighting Low Tension

This category comes under Public Lighting Connection gives supply through LT lines. The public lamps are generally unmetered, and their Tariff is based on the fixed charges per kVA per month. However, since no connection under the Act can be given without meters, the Licensee is required to install meters on all new connections and shall also progressively place meters on the existing connections. The Commission approves Tariff for metered connections only for the FY 2025-26. All the existing streetlights fixtures shall be replaced immediately with LED fixtures and 100% fixtures shall be metered.

i) Public Lighting (Metered)

Fixed Charges

Fixed charges for Public Lighting (Metered) for FY 2025-26

Category	Existing Tariff (Rs. /kVA/Month)	Proposed Tariff (Rs. /kVA/Month)	Approved Tariff (Rs. /kVA/Month)
Public Lighting (Metered)	150.00	-	180.00

Energy Charges

Energy charges for Public Lighting (Metered) for FY 2025-26

Category	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs/kWh)
Public Lighting (Metered)	5.49	-	6.35

ii) Public Lighting (Unmetered)

All the public lighting fitting and fixtures should be invariably metered, and the existing fittings should be phased out immediately with metered LED fittings and fixtures.

8.1.5. Public Water Supply/ Sewage Treatment Plants

This category is related to Public Water Supply and Sewage Treatment plants and comes under public consumption. The following rates are approved for water supply and sewage treatment plants. These rates are decided keeping their nature of use and cross subsidy level.

Fixed Charges

Fixed charges for Public Water Supply for FY 2025-26

Category	Existing Tariff (Rs/kVA/ Month)	Proposed Tariff (Rs/kVA/ Month)	Approved Tariff (Rs/kVA/ Month)
Public Water Supply (WSLT)/ Sewage Treatment Plants	150.00	-	180.00

Energy Charges

Energy charges for Public Water Supply for FY 2025-26

Category	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs/kWh)
Public Water Supply (WSLT)/ Sewage Treatment Plants	7.95	-	7.80

8.1.6. General Purpose

This Tariff made for Government connections which are not covered under any other category of public connections. The approved Tariff for this category is as follows:

Fixed Charges

Fixed charges for General purpose for FY 2025-26

Category	Existing Tariff (Rs/kW/ Month)	Proposed Tariff (Rs/kW/ Month)	Approved Tariff (Rs/kW/ Month)
General purpose (GP)	150.00	-	180.00

Energy Charges

Energy charges for General purpose for FY 2025-26

Category	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs/kWh)
General Purpose (GP)	7.89	-	7.41

8.1.7. Agriculture

This category is meant for agriculture where there are only few consumers in the State.

Fixed Charges

Fixed charges for Agriculture for FY 2025-26

Category	Existing Tariff (Rs/kW/HP/ Month)	Proposed Tariff (Rs/kW/HP/ Month)	Approved Tariff (Rs/kW/HP/Month)
Agriculture (AP)	130.00	-	130.00

Energy Charges

Energy charges for Agriculture for FY 2025-26

Category	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs/kWh)
Agriculture (AP)	3.25	-	3.18

8.1.8. Crematorium

This category is meant for crematorium using electricity for their day-to-day operation. As per the proposal there is only one consumer in this category. In the last Tariff Order the Commission has considered the nature and purpose of this crematorium which is meant for service to the society and operating on no profit no loss basis. The commission has held that on the basis of their nature of job their rates are considered equivalent to domestic consumers. The similar treatment has been given this year to this category with fixed charges on per connection basis and energy charges on metered consumption.

Fixed Charges

Fixed charges for Crematorium for FY 2025-26

Category	Existing Tariff (Rs/conn/Month)	Proposed Tariff (Rs/conn/Month)	Approved Tariff (Rs/conn/Month)
Crematorium (CRM)	7510	-	7510

Energy Charges

Energy charges for Crematorium for FY 2024-25

Category	Existing Tariff (Rs/kWh)	Proposed Tariff (Rs/kWh)	Approved Tariff (Rs/kWh)
Crematorium (CRM)	5.12	-	5.12

8.1.9. Electric Vehicle Charging Stations

The Commission allows Rs 7.50/kWh tariff for Electric Vehicle Charging stations in Meghalaya.

The Commission directs the Petitioner to submit the status report of EV charging stations.

8.2. High Tension Tariff

As per the supply code this category is meant for those consumers who get supply from HT wires. The billing of this type of consumers is being done on the basis of provision of supply code.

8.2.1. Domestic High Tension

This tariff is applicable to domestic consumer having supply from HT system of the licensee. Their tariff is approved as follows.

Fixed Charges

Fixed charges for Domestic (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Domestic HT (DHT)	310.00	-	350.00

Energy Charges

Energy charges for Domestic (HT) for FY 2025-26

Category	Existing Tariff (Rs/ kVAh)	Proposed Tariff (Rs/ kVAh)	Approved Tariff (Rs/ kVAh)
Domestic HT (DHT)	6.48	-	5.87

8.2.2. General Purpose Bulk Supply

Fixed Charges

Fixed charges for General Purpose Bulk (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
General Purpose Bulk Supply (BS)	310.00	-	420.00

Energy Charges

Energy charges for General Purpose Bulk (HT) for FY 2025-26

Category	Existing Tariff (Rs/ KVAh)	Proposed Tariff (Rs/KVAh)	Approved Tariff (Rs/ KVAh)
General Purpose/ Bulk Supply	7.55	-	6.55

8.2.3. Commercial High Tension

This tariff is applicable to Commercial consumer having supply from HT system of the licensee. Their tariff is revised keeping in view of their present level of cross subsidy and its suitable correction. The Commission has approved their tariff as follows: -

Fixed Charges

Fixed charges for Non-Domestic (HT) FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Non-Domestic HT (CHT)	310.00	-	390.00

Energy Charges

Energy charges for Non-Domestic (HT) for FY 2024-25

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Non-Domestic HT (CHT)	7.12	-	6.17

8.2.4. High Tension Industrial

These are industrial consumers taking supply on HT. These consumers are charged on kVAh basis. The tariff was introduced so as to improve the power factor in the system. This Tariff cares for the power factor of the industries and reward those performs efficiently. However, in case of leading power factor suitable correction should be made. The Tariff is fixed as follows.

Fixed Charges

Fixed charges for Industrial (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Industrial High Tension	310.00	-	340.00

Energy Charges

Energy charges for Industrial (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Industrial High Tension	6.51	-	5.57

Energy Charges for Time-of-Day Tariff (ToD) for Industrial (HT)

Time of Day	Peak/off-peak	Energy Charges (Rs./kVAh)
0600-1700 hrs.	Normal	As Approved
1700-2300 hrs.	Peak	+20% of Normal
2300-0600 hrs.	Off-Peak	- 15% of Normal

8.2.5. Ferro Alloy (HT)

Fixed Charges

Fixed charges for Ferro Alloys (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Ferro Alloys (HT)	250.00	-	500.00

Energy Charges

Energy charges for Ferro Alloys (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Ferro Alloys (HT)	6.47	-	5.92

8.2.6. Public Water supply/ Sewage Treatment Plant

Fixed Charges

Fixed charges for Public Water Supply (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Public Water supply	310.00	-	410.00

Energy Charges

Energy charges for Public Water Supply (HT) for FY 2025-26

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Public Water Supply	8.30	-	7.91

8.2.7. Electric Vehicle Charging Stations (HT)

Commission allows Rs 7.50/kWh tariff for Electric Vehicle Charging stations in Meghalaya.

Commission directs the Petitioner to submit the status report of EV charging stations.

8.3. Extra High Tension

8.3.1. Extra High Tension (Industrial)

Fixed Charges

Fixed charges for Industrial (EHT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Industrial (IEHT)	310.00	-	500.00

Energy Charges

Energy charges for Industrial (EHT) for FY 2025-26

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Industrial (IEHT)	9.43	-	8.87

8.3.2. Extra High Tension Ferro Alloys Industries

Fixed Charges

Fixed charges for Ferro Alloys (EHT) for FY 2025-26

Category	Existing Tariff (Rs/kVA/Month)	Proposed Tariff (Rs/kVA/Month)	Approved Tariff (Rs/kVA/Month)
Industrial (IEHT)	250.00	-	500.00

Energy Charges

Energy charges for Ferro Alloys (EHT) for FY 2025-26

Category	Existing Tariff (Rs/kVAh)	Proposed Tariff (Rs/kVAh)	Approved Tariff (Rs/kVAh)
Industrial (IEHT)	6.41	-	5.83

8.3.3. Time of Day Tariff

Energy Charges for Time-of-Day Tariff (ToD) for Industrial (HT/EHT)

Time of Day	Peak/off-peak	Energy Charges (Rs./kVAh)
0600-1700 hrs.	Normal	As Approved
1700-2300 hrs.	Peak	+20% of Normal
2300-0600 hrs.	Off-Peak	- 15% of Normal

8.4. Others

8.4.1. Temporary Supply

The Commission considers Tariff for Temporary connections to be billed at the double the normal rates for all categories of Temporary connections for the FY 2025-26

8.4.2. Commission directs MePDCL to release temporary connections only through pre-paid metering limiting to maximum of 3 (three) months period as per existing terms and conditions of the tariffs.

8.5. **Green tariff**

Petitioner's Submission

- 8.5.1. The Petitioner has submitted an addendum to the petition along with the original petition for Truing Up of the Distribution Business for FY 2023-24 and Determination of Revised ARR and Distribution Tariff for FY 2025-26. Hereby, the Petitioner has requested the Commission to consider these additional submissions in the public hearing.

Determination of Green Energy Tariff

In line with the Ministry of Power's Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, and its amendments, the Commission is mandated to determine a separate Green Energy Tariff. The tariff components include:

- a) Average Pooled Power Purchase Cost of RE
- b) Cross Subsidy Charges (if applicable)
- c) Service Charges for Distribution Licensee

The relevant extract of Rule 4(2)(C)(c) of Rules, 2022 has been reproduced below: -

"(c) The tariff for the green energy shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;"

Thereafter, MoP vide letter no: - 23/09/2021-R&R dated 10th October, 2022 has communicated to all Electricity Regulatory Commissions (ERCs) to determine the tariff of green energy. Below is the reproduced relevant letter extract:

"2. Rule 4 (2) (C) (c) of Rules, 2022 provides that the tariff for the supply of green energy by DISCOMS shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy.

4. All the State and Joint Commissions are, therefore, requested to take appropriate action for determination of green tariff under Rule 4 (2) (C) (c) at the earliest."

Proposed Methodology for Green Energy Tariff

Step 1: The Average Pooled Power Purchase cost of Renewable Energy Sources for MePDCL has been worked out based on power purchase cost of RE sources as projected in the Petition for FY 2025-26.

Step 2: The landed cost of Renewable Energy has been worked out considering the weighted average pooled power purchase Cost of Renewable Energy Sources grossed up by the Distribution Losses

Step 3: The contribution of other components of ARR excluding power purchase cost and Transmission Charges in ACoS (Claimed in the Tariff Petition for FY 2025-26) has been worked out as Distribution Service Charges covering prudent cost of distribution licensee for supplying power to the consumers which works out to be Rs. 1.43/kWh (i.e., Rs. 309.34 Crore of Other ARR components /Sales of 2168.43 MU*10).

Step 4: If Distribution Licensees procure additional power from Renewable Energy sources to fulfil the requisitions of consumers opting for Green Energy power, the power procurement from thermal generating stations by the Distribution Licensee will get reduced to that extent. However, the Utility will have to bear the fixed cost of those thermal generating stations. Therefore, MePDCL requests to consider fixed cost of power purchase of utility as part of Service Charges of Distribution Licensee for providing Green Energy which works out to be Rs. 1.12/kWh (i.e., Rs. 241.90 Crore as Fixed Cost of Power Purchase /Energy Requirement of 2581.47 MU*10 as shown in the Energy Balance Table).

Table 75: Total Green Energy Tariff submitted by petitioner for FY 2025-26

Sl. No.	Particular	Legend	UOM	Amount
1	Power Procurement from RE Sources in 2025-26	A	MU	1907.18
2	Power Purchase Cost from RE Sources	B	Rs. Cr.	876.10
3	Per Unit RE Cost	C=B/A*10	Rs. /kWh	4.59
4	T&D Loss for FY 2025-26	D	%	16.50%
5	Landed Cost of Renewable Energy	E=C/(1-D)	Rs. /kWh	5.50
6	Distribution ARR	F	Rs. Cr.	2077.22
7	Power Purchase Cost	G	Rs. Cr.	1767.88
8	Distribution Cost	I=F-G	Rs. Cr.	309.34
9	Projected Sales	J	MU	2168.43
10	Distribution Service Charges	K=I/J*10	Rs. /kWh	1.43
11	Power Procurement from Thermal Sources	L	MU	1411.07
12	Fixed Cost of Power from Thermal Sources	M	Rs. Cr.	241.90
13	Backing Down Cost	N=M/L*10	Rs. /kWh	1.12
14	Total Green Energy Tariff	O=E+K+N	Rs. /kWh	8.04

In addition to above the Cross Subsidy Surcharge, Wheeling Charges and Additional Surcharge shall be applicable as decided by the Hon'ble Commission in the tariff Order for FY 2024-25.

Respondents' submission in this regard

- 8.5.2. BIA has stated that in MSERC (Terms and Conditions of Green Energy Open Access) Regulations, 2023 dated 09.05.2024, do not provide a methodology for determining green energy tariffs. BIA has opined that since, the Commission's existing Tariff Regulations do not prescribe any methodology for determining the green energy tariff, so in the absence of explicit provisions, the determination of green energy tariffs under the present Tariff Petition is not feasible. BIA has submitted that the Commission must first frame suitable Regulations specifying the methodology before such a determination can be undertaken.
- 8.5.3. BIA also stated that while the Petitioner has proposed a four-step methodology for determining green energy tariffs and has arrived at a tariff of ₹8.04/unit for FY 2025-26 and has also claimed cross-subsidy surcharge, wheeling charges, and additional surcharge, as determined in the Tariff Order for FY 2024-25, they have failed to provide verifiable data or details of power procurement from renewable and non-renewable sources and neither has submitted relevant contracts or approved tariffs for RE procurement.
- 8.5.4. The Commission, in its Tariff Order dated 24.10.2024 (Petition No. 32 of 2023), has determined the Aggregate Revenue Requirement (ARR) for FY 2024-25 without any separate green energy tariff and as per established regulatory principles, tariff methodology must be consistently applied for truing up ARR, and deviations are not permissible, hence the Respondent has stated that the Petitioner's plea for determining green energy tariff for FY 2024-25 is untenable.
- 8.5.5. The Respondent has submitted that since the Commission has not yet specified a methodology for green energy tariff determination, the Petitioner must await the framing of appropriate Regulations. This process should involve stakeholder consultations, where the Petitioner may submit its proposed methodology and the approval of such methodology must take place in separate proceedings and not under the present Tariff Petition.
- 8.5.6. The Respondent has pointed that the Petitioner has sought approval for the revised ARR for FY 2025-26 without providing a bifurcation of RE and non-RE power procurement and additionally for FY 2023-24 and FY 2025-26, the Petitioner has reported zero solar power procurement, implying that its existing hydro sources may be considered as renewable energy, hence the viability of a green energy tariff in Meghalaya at present is questionable.
- 8.5.7. In addition to that, the Objector has identified discrepancies in the Petitioner's computations, including: (i) Incorrect consideration of Distribution ARR (Rs. 1,626.28 crore submitted vs. Rs. 2,077.22 crore used in calculations). (ii) Double counting of Transmission & Distribution (T&D)

- losses. (iii) Erroneous inclusion of fixed costs for backing down thermal plants, despite no additional RE procurement.
- 8.5.8. BIA has proposed an alternative approach in line with the Electricity Rules, 2022 and MSERC Green Energy Open Access Regulations, 2023. The key recommendations from BIA include designating appropriate nodal agencies for short-term, medium-term, and long-term green energy open access, giving priority to open access for non-fossil fuel-based power generation, allowing monthly banking of surplus green energy (up to 20% of total consumption) with applicable charges, keeping cross-subsidy surcharge for green energy unchanged for a fixed period and levying only 50% of the cost as green energy tariff, following practices in Maharashtra and Karnataka ensuring that revenue from the green energy tariff is used to offset distribution ARR.
- 8.5.9. BIA suggested that since the necessary infrastructure for green energy supply already exists, no additional fixed costs should be allowed. The proposed methodology is:

Green Energy Tariff = Pooled Power Purchase Cost of Non-Conventional Energy – Pooled Power Purchase Cost of Conventional Energy (Variable Cost Only).

MePDCL's Response to Respondent's submissions

- 8.5.10. The Petitioner has not submitted any response to the objection of BIA.

Commission's Analysis:

- 8.5.11. Commission is of the view that, Ministry of Power, GoI dated 06.06.2022 has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. Additionally, the Commission has received multiple requests from various C&I customers for having a separate provision for green tariff.
- 8.5.12. The Commission acknowledges the mandate for green energy tariff under the Green Energy Open Access Rules, 2022 and the submissions from multiple C&I customers. In this context, as an introductory scheme to assess the actual interest & the offtake of exclusive green power, Commission has decided to come up with a promotional scheme to promote green power in the state.
- 8.5.13. In this regard, in Order to ensure a transparent mechanism for deciding the mechanism and the premium to be charged for exclusive green power supply, the Commission has decided to presently consider the difference in the annual average market clearing price of DAM & GDAM for 2024-25 which is Rs. 0.30/ kWh as the additional charge for availing the green power and the Commission has decided to relook at the charges every year based on the actual offtake, market prices and other relevant factors.

- 8.5.14. For parties willing to avail exclusive green power, they shall be required to pay an additional charge i.e. Green Energy charge of Rs. 0.30/ kWh over and above the normal tariff applicable to the concerned consumer and the same shall be put to immediate effect from the date of implementation of this ARR Order.
- 8.5.15. Additionally, the MePDCL is directed to issue necessary Green Certification against actual green power procurement and do proper accounting of energy sales under exclusive Green Power supply for submission to Commission at the time of tariff filing.

9. Applicability of the Order

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

The Petition of Meghalaya State Power Distribution Corporation Limited (MePDCL) in Case No. 09 of 2024 stands disposed of accordingly.

Sd/-

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

Sd/-

**Chandan Kumar Mondol,
Chairman**

10. *Annexure-I*

RECORD NOTES OF THE TWENTY-SEVENTH (27) MEETING OF THE STATE ADVISORY COMMITTEE, HELD ON 11th MARCH 2025 AT THE STATE CONVENTION CENTRE, SHILLONG AT 11:00 AM

Members Present

- 1** Shri. Chandan Kumar Mondol
Chairman, Meghalaya State Electricity Regulatory Commission
- 2** Shri. Ramesh Kumar Soni
Member (Law), Meghalaya State Electricity Regulatory Commission
- 3** Shri. Sanjay Goyal, IAS
Chairman-cum-Managing Director, Meghalaya Energy Corporation Limited.
- 4** Shri. Ronald Rikman Sangma, Tura.
- 5** Prof Nalini Prava Tripathi, Professor & Dean, Alumni, IIM, Shillong
- 6** Dr. Shaik Affijulla, Associate Professor & HoD Department of Electrical Engineering, NIT Meghalaya
- 7** Shri. Gaurav Maheshwari (Assistant Vice President – Regulatory Affairs), Indian Energy Exchange.
- 8** Shri. Shyam Sunder Agarwal, CMD (Pioneer Carbide Pvt. Ltd.)
- 7** Shri. Pawan Joshi (Finance Secretary), M/s Green Valley Cements Limited (Max Cement)
- 8.** Shri. Eswoll Slong, Secretary MSERC, Convenor

Invitees

1. Shri B. Wahlang, Director (Generation), MePGCL
2. Shri M. Swer, Director (Transmission), MePTCL
3. Shri A. F. G. Momin, Director (Distribution), MePDCL
4. Smti P. Sun, CE (Transmission), MePTCL
5. Shri T. Gidon, SE, SLDC
6. Shri M. F. Mawlieh, SE, (Energy Management)
7. Shri D. G. Lyngdoh, SE (Transmission)
8. Shri K.W. Sohlang, EE (MOD) SLDC
9. Shri B. Samiam, EE, SLDC
10. Shri G. A. Dkhar, Senior Law Officer, MeECL
11. Shri M. Kharkongor, AAO, Energy Management
12. Shri Syed Saif Nagri, Consultant, MeECL

At the outset the Chairman welcomed the members of the State Advisory Committee and others present to the 27th Meeting. He mentioned that there is no mandatory

requirement to have the meeting at the time of tariff setting, but the SAC could have more meetings. He emphasized that the Regulator has the twin objectives, viz. consumer interest and recovery of cost with optimum investment.

In his opening address, the Chairman further highlighted the following issues.

1. The challenges are –
 - Low consumption of electricity on account of low growth;
 - Increasing cost in terms of revenue cost and capital expenditure, because of the terrain, etc.;
 - Most of the capital works are funded through grants;
 - No free power like other hydro rich states, as the hydro stations are owned by the State government;
 - High fixed cost as the major portion of power is hydro based;
 - High T & D losses on account of low population density;
 - Debarring of creation of regulatory asset by the government;
 - Addressing consumer grievances.
2. Promotion of growth through EV, electric cooking, commercial and industrial enterprises;
3. Cost optimization by contracting more low cost RE power to replace thermal power;
4. Controllable factors need to be addressed, viz. O&M cost, asset monetization, benchmarking of O&M cost, promotion of power trading/scheduling and forecasting consumer mix;
5. Emphasis on exploitation of hydro potential, recording and monitoring consumer grievances and reduction of T&D losses at various voltage levels;
6. He also informed that the Commission will be undertaking the amendment of various regulations, viz. MYT Regulation, Supply Code, etc.

Thereafter, Deloitte, the Consultant of the Commission made a presentation covering exhaustively the following issues:

1. National and State Power Snapshots
2. Sectoral Overview of State DISCOMs
3. Important issues for consideration by MePGCL, MePTCL and MePDCL
 - Under achievement of sales (MUs)
 - Inflated NTI projection through sale of surplus power
 - Low utilization of contracted demand
 - AT & C Losses
 - High proportion of Fixed Cost in Power Purchase portfolio
 - Asset accounting
 - Recovery of Fixed Charge of Power Purchase cost
 - Standardization of O&M expenses
 - Power Banking Arrangement

4. Strategic Considerations – Cross Subsidy Surcharge and Additional Surcharge
5. Key initiatives proposed by the Commission
 - Review & Amendment of Regulations for Supply Code, Standard of Performance, MYT regulations
 - Technological Interventions through Online RPO portal & Online Regulatory Information Management Systems
 - Promote EV & charging infrastructure and Asset Monetization

The Chairman then invited views and suggestions from the members.

1. Shri. Sanjay Goyal, IAS, Chairman cum Managing Director, MeECL

In his address, he highlighted the following issues and the improvement measures undertaken by the MeECL.

1. Tariff optimization can be done only by optimizing the aggregate revenue requirement (ARR).
 2. Business reform action plan - Consumer-oriented initiatives have been taken to facilitate ease of doing business, bringing in activities in an online portal, viz. online applications for providing connection, online information of planned shutdowns, etc. The dashboard is being monitored at the highest level of Management.
 3. Upgrading the infrastructure, through different schemes (RDSS, etc) to improve the reliability and quality of supply, particularly in rural areas.
 4. Project proposal to provide around 50,000 new connections.
 5. Consistent reduction of AT & C losses over the years.
 6. Steps undertaken by the Discom to ensure correct billing.
 7. Improvement in integrated ranking issued by PFC.
 8. Reduction of interest burden.
 9. He emphasized that there should be no tariff shock to the consumers and further stated that if the Corporation survive, everybody survives, whether it be industrial, commercial or other consumers.
- 2. Presentation By the MeECL** – The MeECL in its presentation highlighted the following:
1. State Distribution Profile, Consumer Mix, Power Portfolio
 2. Energy Requirement and Peak Demand
 3. Trajectory of AT&C and T&D Losses
 4. Growth in Connected Load and Sales and Load Factor
 5. Status of Schemes under implementation and future prospects (GENCO, TRANSCO and DISCOM)
 6. Additional Infrastructure created, in all the sectors
 7. Energy Availability vis-à-vis Energy Requirement and Challenge in Power Portfolio Management

8. Installation of check meters, setting up of vigilance cell, zero defect billing, Grievance Redressal Mechanism, etc
9. Asset Monetization
10. Areas of Concern

3. Prof Nalini Prava Tripathi, Professor & Dean, Alumni, IIM

She sought clarification and information on the following items and to which the MeECL and Commission provided the same:

- Billing of bulk consumers with a mix load of domestic and non-domestic to reduce the power bill;
- Installation of, smart meters and pre-paid meters;
- Possibilities for coal-based power plants, solar power, wind energy, pump storage and other sources of RE energy in Meghalaya;
- Possibility of availing nuclear energy for the State;
- Long term planning on loans and interest on loan and working capital.

4. Shri Shyam Sunder Agarwal, CMD, Pioneer Carbide Private Limited

He informed that the Ferro Alloy industries were set up in Meghalaya because there was surplus power in the state. However, many of the industries closed down because the major raw material, power, became unaffordable. Some of the industries set up their own captive power plant or availed power through open access.

Since 2018, a separate tariff was determined for Ferro Alloys, which was lower than the industrial tariff. However, now the tariff has increased and it is also not viable to avail power from the exchange through open access. It was also mentioned that the load factor of Ferro Alloys which is above 78% is higher than all other categories of consumers.

He proposed that the MeECL set up an Advisory Committee, comprising members from the different categories of consumers and from different areas. This will provide a forum for direct interaction with the consumer and consumer representatives to address various issues. The members would also be able to clarify issues directly to the consumers in their areas.

5. Shri. Ronald Rikman Sangma, Member

In his address, the member highlighted and suggested the following:

- Prevention of power outages through maintenance, regular inspection, upgrading transformers and other equipment can prevent failures;
- Villages in many areas of Garo Hills that are yet to be provided power;
- Expediting new connections;
- Regular transfer of officers and staff to ensure transparency and efficient performance particularly at the field level;
- Ensuring safety of electrical lines and equipments to prevent accidents;
- Replacement of defective meters, old poles and transformers;
- Public hearings at different locations to facilitate public participation;

- Online bill payment facility;
- Fluctuation of power supply, particularly during the rainy season.

6. Dr. Shaik Affijulla, Associate Professor & HoD Department of Electrical Engineering, NIT Meghalaya

He enquired about the steps taken to reduce T & D losses and to which MeECL clarified. He offered that the NIT could provide technical solutions towards reduction of these losses and the availability of power system software developed by the NIT for loss analytics, etc. He extended an invitation to visit the NIT where these solutions could be viewed.

7. Shri. Gaurav Maheshwari (Assistant Vice President – Regulatory Affairs) Indian Energy Exchange

He informed about the facilities available in the exchange for Real Time Green Market, REC for surplus power over the RPO met, etc. The CMD requested him to provide all the details to the Utility.

The meeting ended with a vote of thanks by the Member (Law).