



SEVENTEENTH ANNUAL REPORT

FY 2023-24

NEW ADMINISTRATIVE BUILDING, 1ST FLOOR, LEFT WING,
LOWER LACHUMIERE, SHILLONG – 793001
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CONTENTS

1.	INTRODUCTION	2
2.	THE COMMISSION.....	2
3.	MISSION OF THE COMMISSION	3
4.	FUNCTIONS OF THE COMMISSION	3
5.	CHAIRPERSON	4
6.	MEMBER	4
7.	CONSULTATIVE BODIES	4
8.	HUMAN RESOURCE.	5
9.	OFFICE ACCOMODATION	6
10.	LAN& WEBSITE:	6
11.	REGULATIONS and NOTIFICATIONS.....	6
12.	ORDERS	7
13.	STATE ADVISORY COMMITTEE	9
14.	CONSUMER GRIEVANCE REDRESSAL FORUM	11
15.	OMBUDSMAN	12
16.	FINANCIAL RESOURCES	13
17.	REGULATORY PROCEDURES	14
18.	PROCEDURE FOR REGULATIONS	14
19.	PROCEDURE FOR ORDERS ON PETITIONS.....	15
20.	PROCESS AND PRINCIPLES OF TARIFF DETERMINATION	15
21.	FINANCIAL DISCIPLINE	16
22.	AUDIT REPORT	16
23.	CONCLUSION	16
	ANNEXURE – A	17
	ANNEXURE – B	30

ANNUAL REPORT

Financial Year 2023-24

1. INTRODUCTION

The Meghalaya State Electricity Regulatory Commission which was notified by the Government of Meghalaya under the provisions of Section 82 of the Electricity Act 2003 on 26th March 2004 became functional on 6th of June, 2006 on which date the first Chairperson, assumed charge.

Since the time it was set up, the Commission has always endeavoured to set up a fair, transparent and objective electricity regulatory process in the state of Meghalaya. As mandated by law, the Sixteenth Annual Report relating to the financial year 2022-23 was placed on the Table of the Meghalaya Legislative Assembly on the 16th February 2024. This is the Seventeenth Annual Report prepared by the Commission and it relates to the financial year 2023-24.

2. THE COMMISSION

- (a) The Commission was constituted under the provision of the Electricity Act 2003, and is a quasi- judicial body having perpetual succession and common seal with power to acquire, hold and dispose of property both movable and immovable.

Initially, beginning 6th June 2006 this Commission was a one member Commission. In recognition of the need for multi-disciplinary approach while addressing issues related to independent regulation. The law prescribes that the Chairman shall be person of ability, integrity and standing who has adequate knowledge of, and who shown capacity in dealing with problems relating to engineering, finance commerce, economics, law or management. The Chairman is appointed by the Government of Meghalaya from a panel recommended by Selection Committee constituted as prescribed under the statute. The statute also provides for the appointment of a Secretary to the Commission whose powers and duties are defined by the Commission.

- (b) Notification No. POWER-110/97/Pt.II/125 dated the 5th November, 2018, in partial modification to this Department's notification PE.110/97/580, dated 26.03.2004, the Governor of Meghalaya is pleased to change the Meghalaya State Electricity Regulatory Commission (MSERC) into a Two Member Commission, with one member being person of law with requisite qualification prescribed.

3. MISSION OF THE COMMISSION

The mission of the Commission is to:

- 3.1 Promote reforms in the electricity sector;
- 3.2 Encourage transparency, competition and economy;
- 3.3 Regulate the power purchase and procurement process of the distribution utilities.
- 3.4 Secure the legitimate interests of all stakeholders including the consumers.

4. FUNCTIONS OF THE COMMISSION

The Commission is vested with the responsibility of discharging the following statutory functions:

- 4.1 determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be within the State;
- 4.2 regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- 4.3 facilitate intra-State transmission and wheeling of electricity;
- 4.4 issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- 4.5 promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of distribution licensee;
- 4.6 adjudicate upon the disputes between the licensees and generating companies and to refer disputes for arbitration where considered appropriate;
- 4.7 levy fee for the purposes of the Electricity Act, 2003;
- 4.8 specify the State Grid Code;
- 4.9 specify or enforce standards with respect to quality, continuity and reliability of service by licensee;
- 4.10 fix the trading margin in the inter-State trading of electricity, if considered necessary;

- 4.11 discharge such other functions as may be assigned to it under the Electricity Act, 2003, as amended from time to time;
- 4.12 advise the State Government on all or any of the following matters, namely:-
 - 4.12.1 Promotion of competition, efficiency, and economy in the activities of the electricity industry,
 - 4.12.2 Promotion of investment in electricity industry,
 - 4.12.3 Reorganisation and restructuring of the electricity industry in the State including, more particularly, matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.
- 4.13 The State Commission shall ensure transparency while exercising its powers and discharging its functions.
- 4.14 In discharge of its functions the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy issued under Section 3 of the Act.

5. CHAIRPERSON

During the reporting period, Shri P W Ingty, IAS (Retd), served as the Chairperson of the Commission. On superannuation of the former Chairperson, Shri. Chandan Kumar Mondol Retd. Director (Commercial), NTPC Limited, assumed the position of Chairperson on the 8th July 2024.

6. MEMBER

Shri Ramesh Kumar Soni, a retired Principal and Session Judge from Madhya Pradesh, joined the Meghalaya State Electricity Commission (MSERC), Shillong as Member (Law) on 26th July, 2023.

7. CONSULTATIVE BODIES

The Chairman of the Commission is a member of the Forum of Regulators (FOR), a statutory body established in accordance with the provisions of sub-section 2 of section 166 of the Electricity Act, 2003.

During the period under review several meetings of the Forum and its sub-committees were held. These meetings helped in coordinating and aligning regulatory matters, policies and practices followed by different States.

The Chairman is also a member of the Forum of Indian Regulators (FOIR). This is a registered society which predates the Forum of Regulators. The membership of this body is not confined only to regulators in the Power sector but to other sectors also. Several members of this forum have a wealth of experience of regulatory processes and procedures and the deliberations provide an opportunity for wide ranging in-depth examination of technical, legal and implementation issues.

The Chairperson is also a Member of the Working Group on “RE related policies and Regulatory matters” to address matters concerning renewable energy (RE) policies and regulations.

The Chairperson has attended the following meetings during the period of report.

Sl. No.	Period	Subject
1.	17 th - 19 th April, 2023	Attended 85 th Meeting of Forum of Regulators (FOR) at Dharamshala and Palampur.
2.	25 th , 26 th & 27 th June 2023	Attended 86 th meeting of FOR at Ooty, Tamilnadu.
3.	24 th – 26 th August 2023	Attended 87 th meeting of FOR at Agartala.
4.	15 th , 16 th & 17 th September, 2023	Attended 1 st meeting of the FOR working group on “RE related policy and regulatory matters”
5.	11 th & 12 th October, 2023	Discussed regulatory matters with Chairperson West Bengal Electricity Regulatory Commission.
6.	27 th – 28 th October, 2023	Attended 2 nd meeting of the FOR working group on “Renewable Energy related policy and regulatory matters”.
7.	6 th December to 8 th December, 2023	Attended 17 th meeting of the FORENS at Dimapur and Kohima and also make site visits.
8.	4 th & 5 th January, 2024	Attended 3 rd Meeting of the FOR Working Group for “RE related policy and regulatory matters” in Mangalore, Karnataka.
9.	16 th & 17 th January, 2024	Attended 89 th FOR meeting at Konark, Odisha.
10.	8 th & 9 th February, 2024	Attended Special FOR meeting at CERC, New Delhi and interaction with Union Minister of Power.

8. HUMAN RESOURCE.

Under the Electricity Act 2003, the Secretary of the Commission assists the Chairperson in all statutory matters and in personnel, administration, account and finance. Besides full time employees, the Commission has

been utilising the need based services of consultants in the disciplines of law, finance and electrical engineering.

9. OFFICE ACCOMODATION

State Government had allotted one wing of the 1st floor of the New Administrative Building at Lower Lachumiere, Shillong, and the Commission has been functioning from the above premises since December, 2007.

10. LAN& WEBSITE:

The computers in the Commission's office are connected through networking to local area network (LAN). The system is useful for access of any information. The commission has its own website, www.msereg.gov.in, which is regularly maintained and updated. The website is used for publicising hearing schedules, news, updated, tariff related issues, meetings, inviting comments on concept papers, regulations, petitions, tenders, job vacancies, etc. It also provides information on the Consumer Grievances Redressal Forum and Ombudsman and guides the consumer for Redressal of their grievances. Further information such as notified Regulations, Orders and Reports are also available and can be downloaded from the website.

11. REGULATIONS and NOTIFICATIONS

During the period of reporting, the Commission has prepared the Draft Meghalaya State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2023 and Draft Meghalaya State Electricity Regulatory Commission (Terms and Conditions of Green Energy Open Access) Regulations, 2023. However, the final notification of the regulation occurred after the close of the reporting period FY 2023-24.

The Commission after due consultation with the stakeholders and the utilities has also notified the Threshold Limit for Development of Intra State Transmission System Projects through Tariff Based Competitive Bidding (TBCB) vide Notification dated 19th December 2023.

12. ORDERS

The Commission has issued the following important orders during the period of report:-

Sl.No.	Case No.	Date of Issue	Orders
12.1	25/2022	11.04.2023	Aggregate Revenue Requirement and Distribution Tariff for FY 2023-24 for Meghalaya Power Distribution Corporation Limited (MePDCL).
12.2	1/2023	13.11.2023	True up Order for FY 2021-22 of Meghalaya Power Distribution Corporation Limited (MePDCL).
12.3	2/2023	13.11.2023	True up Order for FY 2021-22 of Meghalaya Power Transmission Corporation Limited (MePTCL).
12.4	3/2023	16.11.2023	Review of True up Order for FY 2020-21 in respect of Meghalaya Power Transmission Corporation Limited (MePTCL).
12.5	4/2023	13.11.2023	True up Order for FY 2021-22 of Meghalaya Power Generation Corporation Limited (MePGCL).
12.6	5/2023	27.09. 2023	Petition filed by Meghalaya Power Generation Corporation Limited (MePGCL) for Review of Tariff Order for FY 2023-24 of MePGCL.
12.7	6/2023	13. 11.2023	Review of True up Order for FY 2020-21 in respect of Meghalaya Power Generation Corporation Limited (MePGCL).
12.8	7/2023	29.08.2023	Petition filed by Byrnihat Industries Association for Review of Tariff Order for FY 2023-24 of MePTCL.
12.9	08/2023	29.08.2023	Petition filed by Byrnihat Industries Association for Review of Tariff Order for FY 2023-24 of MePDCL.

12.10	9 to 18/2023	13.03.2024	Petition filed by individual members of BIA for Review of Distribution Tariff for FY 2023-24.
12.11	19/2023	16.11.2023	Review of True up Order for FY 2020-21 in respect of Meghalaya Power Distribution Corporation Limited (MePDCL).
12.12	20/2023	16.11.2023	Approval of Business Plan for the Fourth MYT Control Period from FY 2024-25 to FY 2026-27 in respect of Meghalaya Power Generation Corporation Limited (MePGCL).
12.13	21/2023	16.11.2023	Approval of Business Plan for the Fourth MYT Control Period from FY 2024-25 to FY 2026-27 in respect of Meghalaya Power Transmission Corporation Limited (MePTCL).
12.14	22/2023	16.11.2023	Approval of Business Plan for the Fourth MYT Control Period from FY 2024-25 to FY 2026-27 in respect of Meghalaya Power Distribution Corporation Limited (MePDCL).
12.15	23/2023	16.11.2023	Approval of Business Plan for the Fourth MYT Control Period from FY 2024-25 to FY 2026-27 in respect of State Load Despatch Centre (SLDC).
12.16	1/2024	13.03.2024	Petition for Generic Tariff of Ganol SHP (3x7.5MW) filed by Meghalaya Power Generation Corporation Ltd. (MePGCL).

Total Petitions received and disposed during the period of report	
No of Petitions pending as on 01.04.2023	12
No. of Petitions received during FY 2023-24	46
No. of petitions disposed of during FY 2023-24	35
No of Petitions pending as on 31.03.2024	23

13. STATE ADVISORY COMMITTEE

In exercise of the powers conferred under section 87 of the Electricity Act, 2003, the Commission, under a notification dated 5th February 2007, had first constituted the Meghalaya State Electricity Advisory Committee to advise the Commission on questions of policy, protection of interest of consumers, and other matters relating to supply and distribution of electricity in the State. This Committee has been reconstituted by the Commission from time to time, with the present Committee constituted on 9th December, 2021 with the following members:

Chairman	1	: The Chairman, Meghalaya State Electricity Regulatory Commission, Shillong-793001.
Ex-officio		
Member	2	: The Member (Law) Meghalaya State Electricity Regulatory Commission, Shillong-793001.
Ex- Officio		
Ex-Officio	3	: The Principal Secretary/Commissioner and Secretary Food, Civil Supplies and Consumer Affairs, Government of Meghalaya, Shillong-793001.
Member		
Members	4	: Dr.Anoop Singh, Coordinator, Centre for Energy Regulation (CER) Associate Prof., Department of Industrial and Management Engineering, Indian Institute of Technology Kanpur, Kanpur – 208016.
	5	: Chief Engineer, PHE, Government of Meghalaya, Lower Lachumiere, Shillong – 793001
	6	: Chief Engineer (PWD), Building, Government of Meghalaya, Lower Lachumiere, Shillong-793001.
	7	: CEO, Shillong Municipality Board, Shillong – 793001.
	8	: Mr. Ronald Rikman Sangma, Circular Road, Tura Bazar, Tura-794001, West Garo Hills District, Meghalaya.

- 9 : Director Commerce & Industries, Shillong, Meghalaya.
- 10 : Dr. Vanessa Kharmawphlang, 'Vanee Villa,' Lumbasuk, Upper Nongthymmai, Shillong – 793014.
- 11 : Shri. Shyam Sunder Agrawal, CMD (Pioneer Carbide Pvt Ltd.), Byrnihat, Ri-Bhoi district, Meghalaya. Mobile: 7002162868
Email: pioneercarbide@gmail.com.
- 12 : Shri. O. R. Challam, (Rtd. Professor, Kiang Nongbah Government College) Panaliar, Jowai-793150, West Jaintia Hills District, Meghalaya.
- 13 : Chairman, Institution of Engineers (India), Meghalaya Centre, Barik Point, Lower Lachumiere, Shillong – 793001.
Phone: 0364250320
Email: iemeghalaya@gmail.com
- 14 : Director (E&M) HQ, Shillong Zone, SE Falls, Shillong-793011, Phone: 03642534847
- 15 : Mr. Jogendra Behera (Vice President- Market Design and Economics), 4th Floor, TDI Centre, Jasela, IEX, New Delhi-110025 (Email ID: rajesh.medirata@iexindia.com)
- 16 : General Manager (Commercial) NEEPCO, Demseiniong Shillong- 793003
- Convener** 17 : The Secretary, Meghalaya State Electricity Regulatory Commission, Shillong-793001.

The reconstituted Committee functions with effect from 1st February 2022 till 31st January, 2023 which was further extended till 31st January, 2025 vide Notification dated 14th December, 2024.

The objective of the State Advisory Committee shall be to advise the Commission on:

- a. Major Questions of Policy
- b. Matters relating to quality, continuity and extent of service provided by the licensees.
- c. Compliance by the licensees with the conditions and requirements of their license.
- d. Protection of consumer interests
- e. Electricity supply and overall standards of performance by the Utilities
- f. Matter which the Commission may refer specifically.

It may be noted that the State Advisory Committee has a significant role in guiding the Commission on question of policy, protection of interest of consumers and other matters relating to supply of distribution of electricity in the State.

During FY 2023-24, the State Advisory Committee (SAC) meeting was held on the 16th April 2024, at State Convention Centre Shillong. The discussion which took place during the meetings is annexed as Annexure B in this Report.

14. CONSUMER GRIEVANCE REDRESSAL FORUM

The Commission vide Notification No. MSERC/CGRF/60/2008/103, Dated: 3rd August 2023, has amended the Meghalaya State Electricity Regulatory (Redressal of Consumer Grievances & Electricity Ombudsman) (First Amendment) Regulations, 2017. In this amendment the Consumer Grievances Redressal Forum has been constituted at two levels i.e.; Shillong and Tura, with the following Chairpersons and Members:

Shillong: All Districts under Khasi Hills, Jaintia Hills and Ri-Bhoi.

- | | | |
|--|---|-------------|
| i) Shri T.Passah, Retd Director(Dist.) | - | Chairperson |
| ii) S.K. Lato, Industrialist | - | Member |
| iii) Shri. R. Sungoh, Addl.C.E.(Retd.) | - | Member |

Tura: All Districts under Garo Hills.

- | | | |
|--|---|----------|
| i) Shri. B. R. Sangma, Retd. Chief Engineer – MePDCL | - | Chairman |
| ii) Shri. R. Sangma | - | Member |

A. Powers and function of the Forum:

- (i) The Forum shall examine and consider all complaints that it receives and pass orders for the corporation to remedy the fault or defect within such time as it may decide.

- (ii) In exercising its function the Forum shall have powers to call for information from the Corporation or any other person concerned and to hear him.
- (iii) In dealing with any matter, the Forum may engage or consult a person having special knowledge or skill in the field.
- (iv) A complaint shall be disposed of within a maximum period of fifteen days from the date of receipt and the complainant consumer and the Corporation shall be informed of the decision taken.

B. Under the said Regulations, the grievances may relate to:-

- i) Voltage fluctuation.
- ii) Erratic supply of Electricity.
- iii) Defective billing.
- iv) Defective meters.
- v) Defective street lights.
- vi) Default in attending to routine complaints.
- vii) Any other fault or defect which the licensee is duty bound to attend and rectify.
- viii) Not giving or delay in giving electricity connection to an applicant.

It may be mentioned that the Hon'ble Appellate Tribunal on Electricity (APTEL) has directed that, "all the State Commissions/ Joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints received/adjudicated or settled) to the Secretary, Forum of Regulators who will comply and post the said information online. He would also file a status report in this Tribunal once in 03 months in the Format already approved through our order dated 15th April, 2010."

The quarterly status report is being conveyed by the MSERC to the Secretary FOR in the said Format by 15th of the first month beginning next quarter, so that APTEL can be apprised of accordingly.

15. OMBUDSMAN

Powers and function

- i. If the licensee fails or neglects to remove or set right the fault or defect complained of by the consumer or if the Forum neglects or is otherwise unable to deal with the complaint made to it the aggrieved consumer may, within ten days from the last day of the time set for under sub-regulation (1) of regulation 6 or from the date of seeking redress from the Forum under sub-regulation (1) of regulation 4, as the case may be,

make a representation to the Ombudsman for redresses of the grievance.

- ii. On receiving a representation, the Ombudsman shall after due examination and consideration settle the grievance of the consumer.
- iii. In exercising its function the Ombudsman shall have the powers to call for reply, information date, records and other related documents from the licensee or from any other person who may be concerned with and to hear them.
- iv. The Ombudsman may, if necessary, engage or consult a person having special knowledge or experience in the matter under consideration for this opinion or advice.
- v. Notwithstanding anything contained in his regulation the Ombudsman may *suo-moto* take up any matter which is a subject of general grievance by consumers relating to supply of electricity in any area in the State.

In exercise of the power under section (2) of section 181 read with sub – section (5) and (7) of section 42 of the Electricity Act 2003 and the regulations framed there-under, **Shri E.Slong**, Secretary, MSERC is functioning as the Electricity Ombudsman.

In this regard, it may also be mentioned that the Hon'ble APTEL has directed that, “all the State Commissions/ joint Commissions and Licensees shall send quarterly written status report regarding the functioning and performance in the approved format (complaints received/adjudicated or settled) to the Secretary, Forum of Regulators who will comply and post the said information online. He would also file a status report in this Tribunal once in three months in the Format already approved through our order dated 15th April, 2010.”

The quarterly status report is being conveyed by the SERC's to the Secretary FOR in the said Format by 15th of each specified month so that APTEL can be apprised of the position.

16. FINANCIAL RESOURCES

Section 103 of the Electricity Act, 2003 provides for the creation of a State Electricity Regulatory Commission Fund. Section 102 of the Act provides for grants and loans to be extended to the Commission by the State Government. In addition any revenue arising out of collection of fees by the Commission is also to be credited to this fund. Against this background the situation for the period under review is as follows:-

- a. This Commission has received grants-in-aid Rs. 2, 49, 34,000/- (Rupees, Two Crores Forty Nine Lakh Thirty Four Thousand), only

from the State Government for the F.Y 2023-24. In terms of fees, the Commission has so far received Rs.44, 68, 000/- (Rupees, Forty Four Lakhs Sixty Eight Thousand), only from MeECL & others for the tariff applications/petitions filed by them during the period. Other receipt Rs. 25, 87, 256/- (Rupees, Twenty Five Lakhs Eighty Seven Thousand Two Hundred Fifty Six), only.

17. REGULATORY PROCEDURES

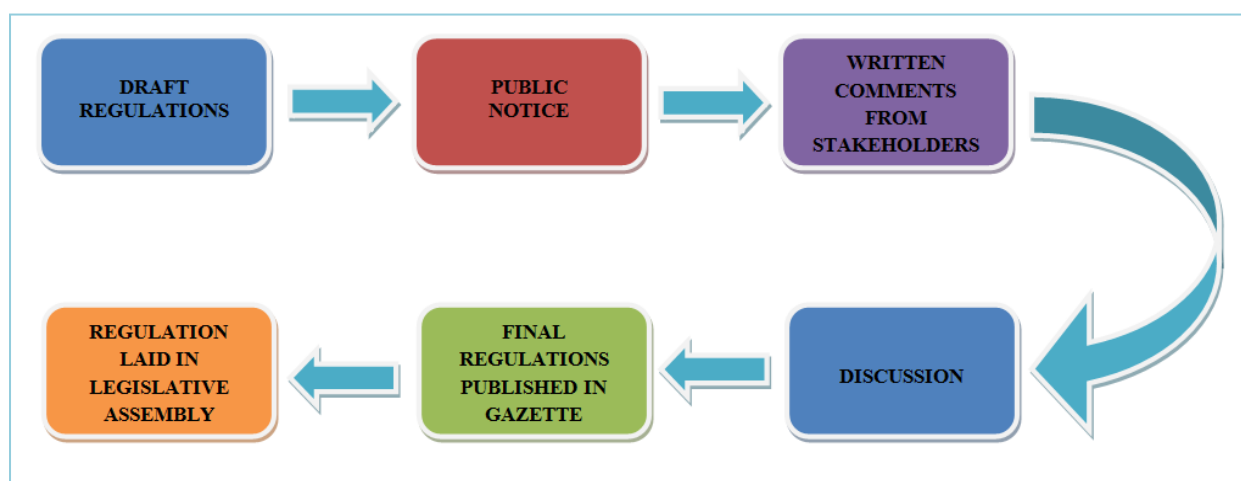
The Commission in discharging its functions under the provisions of the Electricity Act, 2003, undertakes the following:

- a. Notifies Regulations
- b. Issues order on petitions relating to
 - i. Determination of different tariff of electricity.
 - ii. Grant of license
 - iii. Review and miscellaneous petitions.

18. PROCEDURE FOR REGULATIONS

The Commission follows a detailed and transparent process before issuing a Regulation. To start with, a draft regulation is developed on the issue on which it is proposed to be made.

The draft regulation is then given wide publicity through electronic and print media inviting comments and suggestions from stakeholders and the utilities. On receipt of the comments, the issues are discussed threadbare. As per the requirement of the Act, the drafts Regulations then undergo the process of 'Previous Publication'. This implies that the drafts Regulations are published for comments from the stakeholders. It is only after receipt and consideration of the comments that the Regulations are finally published / notified in the Gazette of Meghalaya.



19. PROCEDURE FOR ORDERS ON PETITIONS

Petitions/Applications are made before the Commission primarily for

- i. Retail Tariff determination
- ii. Tariff determination for generation and transmission;
- iii. Grant of license for intra-state trading in electricity.

Apart from the above, the following petitions/applications can also be filed before the Commission:-

- i. Miscellaneous Petition
- ii. Review Petition

The applicant files petitions before the Commission along with prescribed fee. The applicants are also required to publish a summary of their application on their website and gives notice in newspapers inviting objections and suggestions from the public. Thereafter, public hearings are held where the petitioners and the respondents argue their case before the Commission. The Commission passes final orders on the petition after hearing all concerned. The petitioners and the respondents are allowed under the law to file for review before the Commission or appeal against the orders of the Commission before the Appellate Tribunal for Electricity within a specified period.

20. PROCESS AND PRINCIPLES OF TARIFF DETERMINATION

Prior to the creation of the Commission, the tariff were being determined by the Government of Meghalaya through specific notification. As per the requirement of the Act, the determinations of tariff inter-alia are now entrusted to its Commission. In order to discharge this task, the Commission was required to finalize terms & conditions of tariff. After going through transparent process of views and comments of all stakeholders, the Commission finalized and notified Terms & Conditions of Tariff and there.

The tariff is determined as per the Regulations on Terms and Conditions of Tariff as applicable from time to time. The terms and conditions contain both the financial norms and technical norms. The tariff is usually called the cost plus tariff because the capital cost of the project is the starting point for tariff calculations. It would be more appropriate to call it regulated tariff because other than actual capital expenditure, most of the financial & technical parameters adopted for tariff are normative and not actual.

The tariff calculation exercise is quite elaborate, with various elements going into the tariff being computed individually before arriving at the full tariff. The retail tariff shall be different for different categories of consumers

based on the subsidy provided by the State Governments and other factors. The tariff shall also be different for each generating station, depending on its admitted capital cost and applicable norms of efficient operation. The exercise is quite elaborate and time consuming but essential to ensure that the distribution, transmission and generators function in an efficient and economic manner while not misusing their dominant position to extract high prices from the buying utilities and consumers.

21. FINANCIAL DISCIPLINE

In terms of sub-section (1) of section 104 of the Electricity Act 2003, the Commission is required to maintain accounts and other records and prepare Annual Statement of Accounts in such forms as may be prescribed by the State Government in consultation with Comptroller and Auditor General of India (CAG). Under the provisions of sub-section (2) of Section 104 of the Act *ibid*, such Accounts are to be audited by the CAG.

22. AUDIT REPORT

The Commission has engaged CAG empanelled statutory auditor for internal auditing of the Commission Accounts and submitted the report to concerned departments, CAG. The latest Commission's approved audited accounts by CAG are available up to FY 2023-24. The financial report as appeared in this edition is based on the CAG audited Report for FY 2023-24 and the same is annexed as ANNEXURE-A.

23. CONCLUSION

Commission will be monitoring the action taken on the directives issued to MeECL on submission of performance reports. During the period under review, the Commission received considerable support and encouragement from the State and Central Governments, the Meghalaya Energy Corporation Ltd., the utilities under it, and from all sections of the public of Meghalaya. It is hoped that this support will continue during ensuing years and the Commission would be in a position to consolidate the work done so far and take further strides towards establishing sustainable electricity regulatory and reform process in Meghalaya.

Sd/-
(Ramesh Kumar Soni)
Member
MSERC

Sd/-
(Chandan Kumar Mondol)
Chairman
MSERC

ANNEXURE – A

प्रधान महालेखाकार (लेखापरीक्षा),
मेघालय का कार्यालय, ऑडिट भवन,
शिलॉंग- 793001



OFFICE OF THE
PRINCIPAL
ACCOUNTANT GENERAL (AUDIT),
MEGHALAYA, AUDIT BHAWAN,
SHILLONG -793001

Letter No. AMG-II/3-7/MSERC (AA 2023-24)/2024-25/691

Dated: 30.10.2024

To

The Secretary,
Meghalaya State Electricity Regulatory Commission,
1st Floor, Administrative Buidling,
Lower Lachumiere, East Khasi Hills District
Shillong- 793001, Meghalaya.

01 NOV 2024

Sub: Separate Audit Report of the Comptroller and Auditor General of India on the accounts of the Meghalaya State Electricity Regulatory Commission for the year ending 31 March 2024.

Sir,

I am forwarding herewith the Separate Audit Reports of the Comptroller and Auditor General of India on the accounts of the Meghalaya State Electricity Regulatory Commission for the year ending 31 March 2024.

2. The date of placing of the Separate Audit Report and annual accounts on the table of the State Legislature may please be intimated in due course and ten copies of the Report, placed before the Legislature, may please be sent to this office for record.
3. The Separate Audit Report may please be treated as **Confidential** till it is placed before the Legislature.
4. Receipt of the letter along with the enclosures may please be acknowledged.

Yours faithfully,

(Shri Mathews Mathews)
Deputy Accountant General
Audit Management Group-II



**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA ON THE ACCOUNTS OF MEGHALAYA STATE
ELECTRICITY REGULATORY COMMISSION (MSERC), SHILLONG FOR
THE YEAR ENDED 31 MARCH 2024**

We have audited the attached Balance Sheet of the **Meghalaya State Electricity Regulatory Commission (MSERC/Commission)**, Shillong as at **31 March 2024**, the Income and Expenditure Account and Receipt and Payment Account for the year ended on that date under section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971, read with Section 104(2) of the Electricity Act, 2003 and Rule 9 of the MSERC (Fund) Rules, 2013. These financial statements are the responsibility of the Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of accounts and other relevant records have been maintained by the Commission as required under Rule 7(4) of the MSERC (Annual Accounts, Audit and Budget) Rules, 2013 so far as it appears from our examination of such books, subject to the observations made in subsequent paragraphs.
- iii. We further report that:

A. Balance Sheet**Corpus/Capital Fund and Liabilities****Current Liabilities (Schedule A)****Creditors for Expenses****Audit Fees: ₹ 0.41 lakh**

1. The above is understated by ₹ 7.26 lakh due to non-accounting/non-provisioning of Audit Fees payable to the O/o the Principal Accountant General (Audit), Meghalaya for the years from 2019-20 to 2023-24 on 'accrual basis'. This has correspondingly resulted in overstatement of 'Excess of Income over Expenditure' to the same extent.

B. General

The Income and Expenditure Account of the Commission for the year depicted 'Excess of Income (₹ 318.33 lakh) over Expenditure (₹ 275.86 lakh)'. However, this was wrongly stated as '*Excess of Expenditure over Income*' instead of '*Excess of Income over Expenditure*'.

C. Grants-in-aid

As of April 1, 2023, the Commission had no opening balance for Grants-in-Aid. During the financial year 2023-24, the Commission received a total of ₹ 249.34 lakh in Grants-in-Aid. Out of the total available funds, ₹ 243.50 lakh was expended, leaving an unutilized closing balance of ₹ 5.84 lakh as of March 31, 2024.

iv. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with by this Report are in agreement with the books of accounts.

v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matter stated above, and other matters mentioned in *Annexure* to this Audit Report, give a *true and fair view* in conformity with accounting principles generally accepted in India:

(a) In so far as it relates to the Balance Sheet, of the '*state of affairs*' of the Commission as at 31 March 2024; and

(b) In so far as it relates to Income and Expenditure Account, of the '*Surplus*' (*Excess of Income over Expenditure*) for the year ended on that date.

**For and on behalf of the Comptroller and
Auditor General of India**



(John K. Sellate)

Principal Accountant General (Audit), Meghalaya

Date: 30 Oct 2024

Place: Shillong

Annexure to Separate Audit Report**1. Internal Audit System.**

The Commission does not have its own Internal Audit Wing. However, the Internal Audit for the year was outsourced to a firm of Chartered Accountants and the Scope of internal audit covered all the receipts and expenses of the Commission during the year.

2. Adequacy of Internal Control System.

The Internal Control System in place involved

periodic verification of cash transactions and reconciliation of bank balances as per the Cashbook with that as per the bank statements and the same was found to be adequate.

3. System of Physical Verification of Fixed Assets.

Physical Verification of Fixed Assets and Inventory had been conducted as on 31 March 2024.

4. Regularity in payment of statutory dues.

No instances of undue delay in remittance and payment of Statutory dues were noticed in audit.



Sr. Audit Officer
Audit Management Group-II

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
LACHAUMIERE: SHILLONG: MEGHALAYA
BALANCE SHEET AS AT 31ST MARCH 2024

CORPUS/CAPITAL FUND AND LIABILITIES	SCH	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)	ASSETS	SCH	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)
RESERVES & SURPLUS							
GENERAL RESERVE							
Opening Balance		22978837.91	41478918.27	FIXED ASSETS	B	1722399.17	2767032.17
Less/Add: Excess of Expenditure/Income over Expenditure/Income during the year		4247807.00	-18500080.36				
		27226644.91	22978837.91				
A. CURRENT LIABILITIES	A	2265982.00	1072015.00	CURRENT ASSETS LOANS & ADVANCES	C	37556017.74	30226083.74
B. PROVISIONS	A	9785790.00	8942263.00				
		39278416.91	32993115.91			39278416.91	32993115.91
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNT	J						

Dated: 04th June 2024
Place Shillong

Finance & Accounts Officer
MSERC, Shillong

Secretary
MSERC, Shillong

Chairman
MSERC, Shillong

Per Report Annexed
For R.Pal & Co.
Chartered Accountant

(RANADHIR PAL)
Proprietor
Membership NO. 54234
FRN No. 322343E
UDIN : 24054234BKBTJ2457



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION SHILLONG
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

(Amount - Rs)			
INCOME	SCH	CURRENT YEAR	PREVIOUS YEAR
Grants/Subsidies		24934000.00	0.00
Fees/Subscription		4468000.00	4028010.00
16th Meeting FORENS Fund		1500000.00	0.00
Interest on Savings & MOD Bank A/c		926498.00	1683358.99
Profit on sale of Computer		4954.00	0.00
Prior Period Income		0.00	243081.02
TOTAL-(A)		31833452.00	5954450.01
EXPENDITURE			
Provision for Gratuity		694524.00	841275.00
Provision for Leave Encashment		494198.00	858228.00
Establishment Expenses	G	17349893.00	16709181.37
Other Administrative expenses etc	H	7779545.00	4400228.00
Prior Period Expenses	I	905014.00	1160658.00
Depreciation		362471.00	484960.00
TOTAL- (B)		27585645.00	24454530.37
Balance being excess of expenditure over income (A-B) carried to General Reserve		4247807.00	-18500080.36
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNT	J		

Dated: 04th June 2024
Place Shillong

Finance & Accounts Officer
MSERC, Shillong

Secretary
MSERC, Shillong

Chairman
MSERC, Shillong

Per Report Annexed

For R.Pal & Co.
Chartered Accountant

(RANADHIR PAL)
Proprietor

Membership NO. 54234
FRN No. 322343E

UDIN : 24054234BKBTJ2457



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION SHILLONG					
RECEIPTS AND PAYMENTS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024					
RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
I. Opening Balance			I. Expenses		
a. Cash in Hand	1493.00	5323.00	a. Establishment Exp.(SCH D)	17663358.00	16555837.37
b. Bank Balances			b. Administrative Exp. (SCH-E)	5545293.00	3433507.00
Current A/c	-2925801.76	-171280.00	c. Prior period expenses (SCH-F)	1042155.00	1145158.00
Current A/c with MOD facilities	25002605.00	39827652.10			
Savings Bank A/c	7419935.50	5842000.00	II. Expenditure on Fixed Assets & Capital Work- in- progress		
			a. Purchase of Fixed Assets		
II. Grants Received			Computer Desktop , Monitor etc	63700.00	96000.00
a. From State Government	24934000.00	0.00	Electrical Fittings	5550.00	56330.00
			III. Other Payments		
III. Interest Received			a. Advance to staff & Others	217200.00	98000.00
a. Interest from Saving & MODS Bank A/c	1082256.00	1320409.01	b. Payment of GST	238281.00	63550.00
			Professional tax, Income Tax & Service tax		
IV. Other income			c. Creditors for expenses	0.00	29500.00
a. Fees /Subscription	4468000.00	4028010.00	IV Closing Balance:		
b. Contribution from FORENS	1500000.00	0.00	a. Cash in hand	0.00	1493.00
c. Recovery of GST, Professional tax Income tax & Service tax	208421.00	0.00	b. Bank balances		
V. Other Receipts			Current A/c	-17037.00	-2925801.76
Recovery of Advance to staff & Others	217200.00	124000.00	Current A/c with MOD facilities	28158773.24	25002605.00
Sales of Old Computer	5000.00	0.00	Savings Bank A/c	8995835.50	7419935.50
TOTAL RUPEES	61913108.74	50976114.11	TOTAL RUPEES	61913108.74	50976114.11

Dated: 04th June 2024
Place Shillong



Finance & Accounts Officer
MSERC, Shillong

Secretary
MSERC, Shillong

Chairman
MSERC, Shillong

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION LACHAUMIERE; SHILLONG; MEGHALAYA Schedules annexed to and forming part of the Balance Sheet		
SCHEDULE-"A": CURRENT LIABILITIES & PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
	(Rs.)	Rs.)
A. CURRENT LIABILITIES		
Creditors for expenses :	2265982.00	932955.00
Audit Fees	41300.00	41300.00
Membership Annual Subscription fee	0.00	300000.00
Professional & Special Service fee	1985726.00	413012.00
Office Expenses	0.00	74370.00
SAC Meeting Expenses	0.00	61853.00
Telephone Expenses	776.00	1575.00
Electricity Expenses	7362.00	7400.00
Pension & Terminal Benefit Fund (CRA Charges)	425.00	5094.00
Publications	63788.00	28351.00
Travelling Expenses	19245.00	0.00
Legal Expenses	135300.00	0.00
Pay of Security Guard	12060.00	0.00
Salary Payable	0.00	109200.00
GST TDS	0.00	29860.00
TOTAL	2265982.00	1072015.00
B. PROVISIONS		
Leave encashment Fund	4748279.00	4318884.00
Gratuity Fund	5037511.00	4623379.00
TOTAL	9785790.00	8942263.00

Dated: 04th June 2024
Place Shillong



Secretary
MSERC, Shillong

Finance & Accounts Officer
MSERC, Shillong

FORM OF FINANCIAL STATEMENTS (NON- PROFIT ORGANISATION)
Name of Entity MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION SHILLONG
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March 2024 (Amount- Rs.)

SCHEDULE B- FIXED ASSETS							
DESCRIPTION	Cost/valuation As at beginning of the year	Additions during the year	Deductions during the year	Cost/ Valuation at the year end	Rate of Depreciation	Depreciation	Closing Balance as on 31/3/2024
A. FIXED ASSETS:							
1. VEHICLES							
Scorpio Hawk	795098.00			795098.00	15%	119265.00	675833.00
CIAZ Car	214735.00			214735.00	15%	32210.00	182525.00
2. FURNITURE, FIXTURES							
Steel Almirah	2011.00			2011.00	10%	201.00	1810.00
Slimline	436.00			436.00	10%	44.00	392.00
Tambour Door Unit (TDU)	9348.00			9348.00	10%	935.00	8413.00
Opal Glass Wooden Table	3870.00			3870.00	10%	387.00	3483.00
Carpet	93142.00			93142.00	10%	9314.00	83828.00
Chair/Table & Other Office Furniture	105660.17			105660.17	10%	10566.00	95094.17
Aluminium Partition	110726.00			110726.00	10%	11073.00	99653.00
3. COMPUTER/ PERIPHERALS							
Computer	113781.00	63700.00	46.00	177435.00	40%	70974.00	106461.00
Sharp copier Machinery	78029.00			78029.00	40%	31212.00	46817.00
Intangible Asset							
Computer software Installation(Tally)	10195.00			10195.00	40%	4078.00	6117.00
4. ELECTRIC INSTALLATIONS							
Electrical Machinery	210751.00	5550.00		216301.00	15%	32029.00	184272.00
Aqua Guard	3749.00			3749.00	15%	562.00	3187.00
Blower	5287.00			5287.00	15%	793.00	4494.00
A.C	83904.00			83904.00	15%	12586.00	71318.00
Office Machinery	16712.00			16712.00	15%	2507.00	14205.00
CISCO Network Switch	28905.00			28905.00	15%	4336.00	24569.00
Fire Extinguisher	13627.00			13627.00	15%	2044.00	11583.00
Electrical Fittings	91071.00			91071.00	15%	13661.00	77410.00
OTHER ASSET							
Vacumm cleaner	11263.00			11263.00	15%	1689.00	9574.00
Mobile phone	13366.00			13366.00	15%	2005.00	11361.00
TOTAL	2015666.17	69250.00	46.00	2084870.17		362471.00	1722399.17

Dated: Dated: 04th June 2024
Place Shillong

Secretary
MSERC, Shillong

Finance & Accounts Officer
MSERC, Shillong



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
LACHAUMIERE: SHILLONG: MEGHALAYA

SCHEDULE-C Current Assets, Loans & Advances

	CURRENT YEAR (Rs.)	PREVIOUS YEAR Rs.)
1. Current Assets:		
Cash in hand	0.00	1493.00
Cash at Bank		
(With State Bank of India Meghalaya Secretariat Branch Shilong)		
Current A/c	-17037.00	-2925801.76
Current A/c with MOD facilities	28158773.24	9353955.00
Savings Bank A/c	8995835.50	7419935.50
Term Deposit	0.00	15648650.00
TDS	51821.00	51821.00
2. Loans & Advances		
Advance to Staff / Officer	70000.00	70000.00
3. Accrued Interest		
SB A/c 40862486546	3982.00	3294.00
SBI MODS A/c 41040827890	40404.00	362833.00
SBI MODS A/c 33617812545	0.00	11042.00
SBI MODS A/c 42139156517	231552.00	0.00
SBI MODS A/c 82831634010	20687.00	0.00
SBI TD A/c 35517480537	-	228862.00
TOTAL	37556017.74	30226083.74

Dated: 04th June 2024
Place Shillong



Secretary
MSERC, Shillong

Finance & Accounts Officer
MSERC, Shillong

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION**LACHAUMIERE: SHILLONG: MEGHALAYA**

Schedule forming part of Receipts & Payments account for the year ended 31st March 2024

SCHEDULE -D		
Establishment Expenses	CURRENT YEAR	PREVIOUS YEAR
1. Salary & allowance of Chairperson/ Members/Secretary	5811134.00	5598543.00
2. Pay of Ombudsman/Consultant	1000000.00	725000.00
3. Salary of Officer's/Staff	7576071.00	7304508.00
4. Salary of Bungalow Peon	129600.00	226800.00
5. Pay of Casuals	1479200.00	1172931.00
6. T.A of Chairperson/Officer's/Staff	522393.00	469153.00
7. Medical & Health care	129144.00	404476.87
8. Pension & Terminal Benefit Fund	670621.00	654425.50
9. Gratuity & Leave Encashment	345195.00	0.00
TOTAL RUPEES	17663358.00	16555837.37

SCHEDULE- E		
OTHER ADMINISTRATIVE EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Advertisement/ Publication	332032.00	26178.00
Bank charges	649.00	914.50
Fuel & lubricant	260984.00	265086.00
Motor Vehicle Expenses	42429.00	18251.00
Office expenses	165925.00	402895.50
Postage & stamp	3575.00	3052.00
Printing & Stationery	218219.00	154138.00
Telephone expenses	8374.00	13065.00
Electricity expenses	61104.00	55760.00
Contingency expenses	0.00	365.00
State Advisory Meeting Commission	0.00	8784.00
Rent of Member	0.00	180000.00
Membership Subscription Fee	1648000.00	366333.00
Legal expenses	278300.00	51500.00
Payment for Professional & special services	108170.00	1839880.00
Computer Stationery	49720.00	47305.00
Minor Work	112157.00	0.00
16th Forens Meeting Expenses	2255655.00	0.00
TOTAL RUPEES	5545293.00	3433507.00

SCHEDULE-F		
PRIOR PERIOD EXPENSES	CURRENT YEAR	PREVIOUS YEAR
DA Arrear	109200.00	116836.00
Pension & Terminal Benefit Fund	5094.00	0.00
Membership Subscription Fee	300000.00	19667.00
Audit Fees	41300.00	11800.00
Electricity Expenses	7400.00	3358.00
Telephone Expenses	1575.00	3106.00
Payment for Professional & special services	413012.00	899000.00
Office Expenses	74370.00	0.00
Publication	28351.00	0.00
SAC Meeting Expenses	61853.00	91391.00
TOTAL RUPEES	1042155.00	1145158.00

Dated: 04th June 2024
Place Shillong



Secretary
MSERC, Shillong

Finance & Accounts Officer
MSERC, Shillong

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
LACHAUMIERE: SHILLONG: MEGHALAYA

Schedule forming part of Income & Expenditure account for the year ended 31st March 2024

SCHEDULE -G		
Establishment Expenses	CURRENT YEAR	PREVIOUS YEAR
1. Salary & allowance of Chairperson/ Members/Secretary	5811134.00	5660655.00
2. Pay of Ombudsman/Consultants	1000000.00	725000.00
3. Salary of Officer's/Staff	7576071.00	7390646.00
4. Salary of Bungalow Peon	129600.00	226800.00
5. Pay of Casuals	1491260.00	1172931.00
6. T.A of Chairperson/Officer's/Staff	541638.00	469153.00
7. Medical & Health care	129144.00	404476.87
8. Pension & Terminal Benefit Fund	671046.00	659519.50
TOTAL RUPEES	17349893.00	16709181.37

SCHEDULE-H		
OTHER ADMINISTRATIVE EXPENSES	CURRENT YEAR	PREVIOUS YEAR
Advertisement/ Publication	395820.00	54529.00
Bank charges	649.00	914.50
Fuel & lubricant	260984.00	265086.00
Vehicle Repair expenses/ Expenses on Motor Vehicle	42429.00	18251.00
Office expenses	165925.00	477265.50
Postage & stamp	3575.00	3052.00
Printing & Stationery	218219.00	154138.00
Minor Works	112157.00	0.00
Telephone expenses	9150.00	14640.00
Electricity expenses	68466.00	63160.00
Contingency expenses	0.00	365.00
State Advisory Meeting Commission	0.00	70637.00
Rent of Member	0.00	180000.00
Membership Subscription Fee	1648000.00	666333.00
Legal expenses	413600.00	60500.00
Audit Fees	41300.00	41300.00
Payment for Professional & special services	2093896.00	2282752.00
Computer Stationery	49720.00	47305.00
16th FORENS Meeting Expenses	2255655.00	0.00
TOTAL RUPEES	7779545.00	4400228.00

SCHEDULE-I		
PRIOR PERIOD EXPENSES	CURRENT YEAR	PREVIOUS YEAR
DA Arrear	0.00	116836.00
Membership Subscription Fee	0.00	19667.00
Audit Fees	0.00	11800.00
Electricity Expenses	0.00	3358.00
Telephone Expenses	0.00	3106.00
Payment for Professional & special services	0.00	914500.00
SAC Meeting Expenses	0.00	91391.00
Construction of Member Toilet	620714.00	0.00
Construction of Office Kitchen	130652.00	0.00
Interest on Term Deposit/ MODS	153648.00	0.00
TOTAL RUPEES	905014.00	1160658.00

Dated: 04th June 2024
Place Shillong



Secretary
MSERC, Shillong

Finance & Accounts Officer
MSERC, Shillong

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION: SHILLONGSCHEDULE-J**A. SIGNIFICANT ACCOUNTING POLICIES:****1. ACCOUNTING CONVENTION:-**

The financial statement is prepared on the basis of historical cost convention unless otherwise stated and on the Accrual method of accounting.

2. FIXED ASSETS AND DEPRECIATION:

2.1 Depreciation has been provided on the written down value method as per rates prescribed under Income Tax Act 1961.

2.2 Fixed Assets has been stated at cost and accounted for at historical cost.

2.3 Depreciation on assets acquired during the year is provided for as under:

- Assets put to use for more than 180 days – 100% as per the applicable rate.
- Assets put to use for less than 180 days – 50% from the applicable rate.

B. NOTES ON ACCOUNT:

1. The Commission has registered under the New Pension Scheme with the Pension Fund Regulatory Development Authority (PFRDA) with the approval of the Govt. of Meghalaya, Finance/Pension Cell Dept. and has started the contribution with effect from 1st October 2018.
2. The Commission has opened a saving bank account No. 40862486546 with the State Bank of India for the purpose of MSERC Terminal Benefit Fund for staff on the 19th March 2022 for which the Commission makes a provision and transfer the ascertained amount to this account. Currently this account is having a closing balance Rs. 89, 95,835.50 as shown at Schedule C.
3. Book value of construction of Members Toilet Rs. 6, 20,714/- and Construction of Office Kitchen Rs. 1, 30,652/- has been treated as revenue expenses under prior period expenses based on the Audit Report of the Comptroller and Auditor General of India on the Accounts of MSERC, Shillong for the Year Ended 31 March 2023.
4. Interest on Term Deposit/MODs of Rs. 1, 53,648/- appearing in Prior Period expenses (Schedule I) relates to excess interest accrued accounted during the FY 2022-23.

Finance & Accounts Officer
Meghalaya State Electricity
Regulatory Commission

Secretary
Meghalaya State Electricity
Regulatory Commission



ANNEXURE – B

RECORD NOTE OF THE STATE ADVISORY COMMITTEE MEETING
HELD ON 16.04.2024 at State Convention Centre, Shillong.

Time: 13:00 Hours

Members Present in the Meeting

- 1 Shri. P W Ingty, IAS (Retd.)**
Chairman, Meghalaya State Electricity Regulatory Commission,
Shillong.
- 2 Shri. R. K. Soni, Retd. District & Session Judge**
Member Law, Meghalaya State Electricity Regulatory
Commission, Shillong.
- 3 Shri. Pravin Bakshi, IAS,**
Commissioner & Secretary Food Civil Supplies and Consumer
Affairs, Government of Meghalaya.
- 4 Shri. Shyam Sunder Agarwal**
CMD (Pioneer Carbide Pvt. Ltd.)
- 5 Shri. Godwin Lambok Fancon**
Chief Engineer, PHED, Government of Meghalaya, Lower
Lachumiere, Shillong.
- 6 Dr. Venessa Kharmawphlang**
'Vanee Villa', Lumbasuk, Upper Nongthymmai, Shillong 793014.
- 7 Shri. O.R. Challam, (Rtd. Professor, Kiang Nongbah Government
College),**
Panaliar, Jowai-793150, West Jaintia Hills District, Meghalaya.
- 8 Shri. Eswoll Slong**
Secretary MSERC, Convenor

Special invitees

- 1.** Shri. Timothy Passah, Chairman CGRF Shillong.
- 2.** Shri. Balnang M. Sangma, Chairman CGRF Tura.
- 3.** Shri. P. Sahkhar, Director MePDCL.
- 4.** Shri. R. Majaw, Director MePGCL.
- 5.** Shri. J. Hynniewta, Director MePTCL.

Minutes

Calling the 26th Meeting of the State Advisory Committee (SAC) to order, the Chairman welcomed all the members of Advisory Committee and the special invitees.

The meeting commenced with a power point presentation from Distribution Company on the True up of FY 2022-23 and MYT for Fourth Control Period FY 2024-27 and Tariff for FY 2024-25.

The Chairman invited suggestions from the participants on the proposal of MePDCL and any other issues. Members of the SAC raised the following issues:

1. Dr. Vanessa Kharmawphlang

- i. The Member sought clarification with regards to the standalone gap claimed for the true up of FY 2022-23 which amounts to Rs. 334.70 Cr. The same has been clarified by MePDCL. Further, with regards to the uniform tariff hike across all categories of consumers as proposed by the utility, there is always a complaint from the public side that there is a lot of variation. Therefore, the questions that lies is, from the existing tariff how much will be an increased in percentage or in real term in order to be able to bring about the uniform hike in the tariff across all categories.
- ii. Secondly, there is always a complaint from the consumer end that when the tariff is being increased the consumers are not made aware.

2. Shri. O.R. Challam.

- i. The Member observed that the DISCOM has prayed for allowing uniform hike in tariff across all categories. In view of this, the member wanted to know about the different tariff which has been imposed to the consumers in the last 52 years, in particular the domestic, commercial and industries. It was also added that the domestic consumers are paying more tariff in comparison to the other states. Hence, it was suggested that these matters needs to be look upon while deciding the tariff.
- ii. Power Theft: The member suggested that a direction be given to MeECL to look into this matter as this is a prolonged issue especially in coal mine areas. Further, it was suggested that MeECL may request the headman of the Dorbar Shnong to educate the consumers about the impact of power theft. Moreover, the Commission may write to the Government to provide host to MeECL with regards to power theft.
- iii. Collection Efficiency: The member also pointed out that the collection efficiency in Garo Hills is very less in comparison to other districts. Therefore, it is recommended that MePDCL (Meghalaya Power

Distribution Corporation Limited) may engage more personnel to visit the field in order to solve this issue.

The member concluded by stating that the transparency and efficiency should not only be from the utility but also from the industries and the consumers.

3. Shri. Shyam Sunder Agarwal, CMD (Pioneer Carbide Pvt. Ltd.).

- i. The member sought clarification on the computation of T&D and AT&C losses. The same has been clarified by MePDCL. Further, it was suggested that MePDCL should notify in the newspaper the area wise losses to make the public aware so that they can come forward to stop the losses. Moreover, MePDCL is engaged in installation of check meters and Supervisory Control and Data Acquisition (SCADA) System for all the industrial consumers. Hence, it is suggested that the same should be implemented to all the big consumers in the state with check meter so that they can identify the losses in the state. In order to regulate T&D losses it is suggested that for consumers below 50kW MePDCL should install prepaid meters.
- ii. Secondly, the actual ARR for FY 2022-23 is almost 58% increased from the approved. Hence, if year on year this gap is increased it will be a burden to the genuine consumers who pay revenue regularly and at the right time to MEPDCL.
- iii. Thirdly, MePDCL is engaged in Swapping/ banking/ Open Access and long term or short term PPA and power sale arrangements. It is advised that MePDCL should file a petition before the Honorable Commission after obtaining online competitive bidding for banking/ swapping, power purchase and power sale arrangements in a transparent manner and implement after Hon'ble Commission's approval. Also the Renewable power obligation and any other Renewable Energy procurement should either be procured through competitive bidding and approval of the Appropriate Commission.
- iv. Fourthly, the Commission may kindly instruct MePDCL to supply Power to its consumers according to the Business plan 2024-2027 and MYT 2024-27 submitted and approved for all categories of consumers till the energy available is equal to or more than the intrastate Demand.
- v. There is a continuous load shedding during the year 2023-24 including rainy season on daily basis. Hence, the same should not be repeated during the tariff year 2024-25. The MePDCL should be advised to file a petition and seek permission of the honorable Commission for need of load shedding with reasons. The Honorable Commission may make prudent check the reasons for load shedding in violation of category wise sales figure quoted in their tariff petition for financial year 2024-25. It is also advised that there should be a planned load shedding with reasons and should be notified at least

15 days in advance except for urgent needs due to system breakdowns.

- vi. The MePDCL should be allowed to sell the surplus power not below the approved rates by this Hon'ble Commission or should offer to state industrial consumers if not able to sell at approved rates.
- vii. MePDCL may also offer rebate to bulk consumers which will encourage the consumer to increase their load factor and this will reduce the T&D loss.

4. Mr. Pravin Bakshi, IAS, Commissioner & Secretary Food, Civil Supplies and Consumers Affairs, Government of Meghalaya.

The Member expressed from the consumers affairs point of view that it is heartening to see that because of some good central Government scheme like NERSIP which supports the transmission lines of the state and the network parent and RDSS scheme which is a revamped scheme, there have been a significant progress in reduction of T&D losses. This can be seen from the figure that it is broadly matching with the trajectory which has been fixed under RDSS over the period of 5(five) years and it is good sign which means that the DISCOM is working hard to cut down the T&D losses which are the core problem which they faced and in turn the consumer also faced. Further, it was observed that the T&D losses is 12.83% and AT&C losses is 18.25% so there is a scope to bring it down further by improving the collection efficiency. As suggested by other esteemed members the circle wise and region wise T&D losses and collection efficiency are different hence, the same should be brought to public domain. Moreover, as it is known that in Garo Hills the billing and collection efficiency is always a challenge therefore, MePDCL should come up with various means to improve it.

Secondly, the ways and means which are goal standard all over the country needs to be further facilitated like the DISCOM has the billing app this should be more user friendly so that payments can be made on time. Further, by installing prepaid meters they will be able to cut down the problems of billing, disconnection, not receiving bills on time, pending payments etc.

With regards to big defaulters DISCOM should try their best with the support of LAW Department and law officer to be able to realize the defaulting bills of these very big players.

Thirdly, whether an initiative have been taken or not for providing free power for the first few units of BPL consumers provided it is paid by the government in the form of grant.

Lastly, regarding load shedding MePDCL should intimate to the consumers on time through bulk sms so that it will not affect the genuine consumers. The member concludes that with this RDSS scheme

the DISCOM will be able to solve the issue as raised by the stakeholders and the members of the Committee.

Special invitees:

5. Chairman CGRF, Shillong.

The Chairman CGRF, Shillong Shri. Timothy Passah has raised few issues

- i. It was observed that the total amount pending due to litigation matters is Rs. 161.77 Cr which is quite substantial. Hence, a clarification was sought regarding this amount and it was informed before the committee that this amount relates to the pending case which is yet to be disposed of by the Hon'ble Commission.
- ii. Inspection and Vigilance: It was suggested that MePDCL should strengthen the vigilance team to solve the issue of power theft. Awareness should also be created involving the headman who plays an important role in the society.
- iii. Electric Vehicle Charging Station: Information was sought with regards to the number of charging station available in the state as there are many EV coming up and if the same is not available it will affect the other consumers if they charge from their domestic.

6. Chairman CGRF, Tura.

The Chairman CGRF Tura Shri. Balnang. M. Sangma, brief about the issues faced by the Consumers in Garo Hills.

- i. Installation of smart meter: There is a delay in initial billing for 3 to 4 months which is a burden to the poor consumers and some are not able to pay the bill as it is very huge. Further, there are some areas where the smart meter has been installed/ activated. However, due to shadow area it has been defunct and MePDCL should take note of this.
- ii. Charging of completed substation: There are some substations which have been completed 3(three) to 4(four) years back. Hence, it is suggested that the same should be look into.

7. Director, MePDCL.

Shri. P. Sahkhar, Director MePDCL, has clarified on the issues raised by members of the advisory and apprised the Committee that an inspection drive has been done related to power theft and a review meeting has also been conducted. Further, under RDSS scheme the conductor will be replaced with ABC cable (covered conductor) in the theft prone area. It is expected that with the support of the Government and the public at large this issue can be curtailed.

Secondly, with regards to the new tariff imposed a pamphlet has been served to the consumers. It was also added that MePDCL has a web based where the consumers can registered themselves along with their

mobile number in order to get the details of bills etc in advanced. However, most of the consumers are not aware of this.

Lastly, MePDCL informed that had there not been any litigation for specific category of consumers the AT&C loss would have reduced by then. It is assured that under this RDSS scheme the issues raised will be solved and MePDCL is trying their best to improve the system.

8. Director, MePTCL.

Shri. J. Hynniewta, Director MePTCL, apprised the Committee that the 220 kV Killing- Mawphlang line substation has been commissioned and the industries are able to draw open access power through this Inter State. However, there are cases where the industries overdraw power and it is affecting the grid. Hence, it is requested to the industries not to over draw, even though this is cover under DSM regulation. The open access consumers may communicate to SLDC to stabilize the grid.

The Member, Law MSERC conveyed thanks to the members/participants for their views and suggestions and declared State Advisory committee meeting concluded.

Sd/-
(E.Slong)
Secretary
MSERC, Shillong