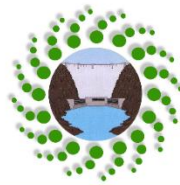

**BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
SHILLONG**

**PETITION
FOR
TRUE UP OF GENERATION BUSINESS
FOR FY 2024-25
&
AGGREGATE REVENUE REQUIREMENT FOR FY 2026-27**

FILED BY



MePGCL

Generating Clean And Green Energy

**MEGHALAYA POWER GENERATION CORPORATION LTD.
Lum Jingshai, Short Round Road, Shillong-793001**

BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

FILE/ PETITION NO.....

IN THE MATTER OF

APPROVAL OF TRUING UP OF EXPENSES FOR FY 2024-25 AND APPROVAL OF REVISED ARR FOR FY 2026-27 AND GENERATION TARIFF FOR FY 2026-27 OF THE MEGHALAYA POWER GENERATION CORPORATION LIMITED (MePGCL) UNDER SECTION 62 AND 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003 AND PROVISIONS OF MSERC (MULTI YEAR TARIFF) REGULATIONS,2014

AND IN THE MATTER OF

MEGHALATA POWER GENERATION CORPORATION LIMITED, LUMJINGSHAI, SHILLONG-793001- MEGHALAYA.

..... PETITIONER

IT IS RESPECT SUBMITTED BY THE PETITIONER THAT:

1. In exercising the powers conferred to it under Section 131 and 133 of the Electricity Act 2003, the State Government of Meghalaya notified “The Meghalaya Power Sector Reforms Transfer Scheme 2010”, notified on 31st March 2010. The Scheme paved path for the restructuring and unbundling of the erstwhile Meghalaya State Electricity Board (MeSEB). As per the provisions of the aforesaid transfer scheme MeSEB was un-bundled into four entities which are:
 - a) Meghalaya Energy Corporation Limited (MeECL) which is the holding company;
 - b) Meghalaya Power Distribution Corporation Limited (MePDCL) – Distribution Utility;
 - c) Meghalaya Power Generation Corporation Limited (MePGCL)- Generation Utility;
 - d) Meghalaya Power Transmission Corporation Limited (MePTCL)– Transmission Utility.
2. Though the transfer scheme was notified on 31st March 2010, the holding company MeECL continued to carry out the functions of distribution, generation and transmission utilities till 31st March 2012. 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.

3. The Government of Meghalaya notified the vesting order of the Assets and Liabilities as on 1st April 2010, in the books of MeECL. Subsequently, the State Government notified the 4th amendment to the Notified Transfer Scheme on 29th April 2015, wherein the opening balances of assets and liabilities of all the four entities namely, MePDCL, MePGCL, MePTCL and MeECL as on 1st April 2012 were ascertained.
4. The instant Petition is being filed by MePGCL in compliance with the Regulation 11 Regulation 4 & 6 of Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 as amended from time to time for Trueing Up of Expenses for FY 2024-25 and Approval of Revised ARR for FY 2026-27.
5. The Board of Directors of MePGCL have accorded the approval for filing the instant Petition and authorized the undersigned to file the Petition. The copy of the Board's resolution dated **25/11/2025** is annexed to this Petition as **Annexure A**.
6. The audited statement of accounts of MePGCL and MeECL are annexed to this Petition as **Annexure B and C**.
7. The Petitioner, therefore humbly prays Hon'ble Commission to:
 - a. To approve the true up of expenses for FY 2024-25 and the principles and methodology adopted by MePGCL for various parameters.
 - b. To approve the Revised ARR for FY 2026-27 and generation tariff for FY 2026-27.
 - c. Allow addition/ modification of the Petition during the course of the proceedings of the Petition.
 - d. To condone any inadvertent omissions, errors and shortcomings and permit the rectification of the same during the course of proceedings of the Petition.
 - e. To pass such order, as the Hon'ble Commission may deem fit and proper and necessary in view of the facts and circumstances of the case.

(Q. MARBANIANG)
SUPERINTENDING ENGINEER (P&RM)

For and behalf of
Meghalaya Power Generation Corporation Limited

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1. BACKGROUND

1.1 Description of Parties

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 State Government on 31st March, 2010 notified “The Meghalaya Power Sector Reforms Transfer Scheme 2010” paving path for the un-bundling of the MeSEB into

- Meghalaya Electricity Corporation Limited (the holding company),
- Meghalaya Power Distribution Corporation Limited (Distribution Utility),
- Meghalaya Power Generation Corporation Limited (Generation Utility)
- Meghalaya Power Transmission Corporation Limited (Transmission Utility).

The aforesaid scheme was further amended on 31st March, 2012, which led to the transfer of assets and liabilities including all rights and obligation and contingencies with effect from 1st April, 2012 to the aforementioned four companies.

The MSERC 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 Hon’ble Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.

2. METHODOLOGY ADOPTED FOR TRUE UP PETITION FOR FY 2024-25

MePGCL would like to submit that the true up Petition for FY 2024-25 is being filed as per the provisions of the Regulation 11 of the MSERC (Multi Year Tariff) Regulations, 2014 (herein referred as 2014 Tariff Regulations). As per the Regulation 11.5 of 2014 Tariff Regulations:

The Scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of the Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of:

- a) *A comparison of the **audited performance** of the applicant for the previous financial year with the approved forecast for such financial year, subject to the prudence check including pass-through of impact of uncontrollable factors.*
- b) *Review of the compliance with the directives issued by the Commission from time to time:*
- c) *Other relevant details.*

As evident from the above extract of the Regulations, MePGCL has relied on the audited accounts of the FY 2024-25 for claiming most of the components of Aggregate Revenue Requirement. The detailed assumptions and methodology adopted by MePGCL for various components of the ARR are discussed in detail in the subsequent sections of this chapter.

MePGCL would like to submit that for the purpose of computation of the components of the ARR of various stations, it has relied on the amounts and methodology approved by the Hon'ble Commission in Order dated 22.03.2025 in Case No. 04 of 2024 for True Up of Generation Business for FY 2023-24.

In addition, MePGCL has filed Review Petition for Order for Truing Up of Generation Business for FY 2022-23 which was disposed of by Hon'ble Commission vide Order Dated 23.09.2025. The additional gap allowed by Hon'ble Commission in the aforesaid order has been included in the respective Stations.

3. TRUING UP OF EXPENSES OF FY 2024-25

3.1 BACKGROUND

Hon'ble Commission vide order dated 24.10.2024 in Case No. 30 of 2023 has allowed the Multi Year ARR for MePGCL including the ARR of FY 2024-25. Subsequent to the determination of ARR for FY 2024-25, Hon'ble Commission vide Order Dated 22.03.2025 in Case No. 04 of 2024 decided on the True up of FY 2023-24. Hence, in the instant Petition the closing figures for GFA, Loan, Equity etc., have been considered as opening balance for FY 2024-25.

Since, the Annual Statement of Accounts for FY 2024-25 have been audited and hence in terms of the provisions of Regulation 11 of the 2014 Tariff Regulations, MePGCL is filing the true up Petition for FY 2024-25.

3.2 REGULATORY PROVISION FOR FILING OF TRUE UP PETITION

The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15thSeptember 2014 which is applicable for determination of tariff effective from 1 April 2015. Regulation 11 of the said Regulations lays down the general guiding principles for truing up and the provisions of the said Regulations are reproduced below for reference:

"11. Truing-Up

11.1 *Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Generating Company or Transmission Licensee or Distribution Licensee is covered under a Multi-Year Tariff framework, then such Generating Company or Transmission Licensee or Distribution Licensee, as the case may be, shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.*

11.2 *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:*

11.3 *Provided that the Generating Company or Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such forms as may be prescribed by the Commission, together with the Audited Accounts including audit report by CA&G, extracts of books of account and such other details as the Commission may require to assess the reasons*

for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.

It is further stated that the amendment to Regulation 11.3 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 dated 15th June 2021 is as follows:

“Provided that the Generating Company or Transmission Licensee, as the case may be, shall submit to the Commission information in such form as may be prescribed by the Commission, together with the Audited Accounts including audit report by a Statutory Auditor appointed by C&AG, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.”

11.4 Provided further that once the Commission notifies the Regulations for submission of Regulatory Accounts applications for tariff determination and truing up shall be based on the Regulatory Accounts.

11.5 The scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:

- a) a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year, subject to the prudence check including pass-through of impact of uncontrollable factors;*
- b) Review of compliance with directives issued by the Commission from time to time;*
- c) Other relevant details, if any.*

11.6 In respect of the expenses incurred by the Generating Company, Transmission Licensee and Distribution Licensee during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up.

11.7 Upon completion of the truing up under Regulation 11.4 above, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 12 below, to factors within the control of the applicant (controllable factors) or to factors beyond the control of the applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 12.1 below shall be attributed entirely to controllable factors.

11.8 Upon completion of the Truing Up, the Commission shall pass an order recording:

a) the approved aggregate gain or loss to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 14 of these Regulations;

As per the prevalent practice MePGCL is filing combined Petition for true up with chapter wise breakup of true of individual plants.

3.3 **INSTALLED CAPACITY**

MePGCL is the state owned power generating company of the state of Meghalaya with an installed capacity of 378.20 MW as on date. All of the generating station of MePGCL are Hydro generating stations.

The Installed Capacity of MePGCL is shown as under:

Table 1 Installed Capacity of MePGCL as on 01.04.2022

Sl. No.	Name of Station	No. of Units	Capacity (MW)	Total Capacity (MW)	Year of Commissioning
1	Umiam Stage I	I	9	36	21.02.1965
		II	9		16.03.1965
		III	9		06.09.1965
		IV	9		09.11.1965
2	Umiam Stage II	I	10	20	22.07.1970
		II	10		24.07.1970
3	Umiam-Umtru Stage III	I	30	60	6.01.1979
		II	30		30.03.1979
4	Umiam-Umtru Stage IV	I	30	60	16.09.1992
		II	30		11.08.1992
5	Umtru Power Station	I	2.8	11.2	01.04.1957
		II	2.8		01.04.1957
		III	2.8		01.04.1957
		IV	2.8		12.07.1968
6	Sonapani Mini Hydel	I	1.5	1.5	27.10.2009
7	MLHEP (Leshka)	I	42	126	01.04.2012

Sl. No.	Name of Station	No. of Units	Capacity (MW)	Total Capacity (MW)	Year of Commissioning
		II	42		01.04.2012
		III	42		01.04.2013
8	NUHEP (New Umtru)	I	20	40	01.07.2017
		II	20		01.07.2017
9	Lakroh MHP	I	1.5	1.5	01.03.2019
10.	Ganol SHP				
	Total			356.2	

3.4 PERFORMANCE HIGHLIGHTS

1. Energy Generation

All the Generating stations being hydro, the annual generation is heavily dependent on the rainfall during the year. The generation trend from FY 2021-22 to FY 2024-25 has been presented in the table below:

Table 2: Energy Generation Trend of MePGCL (MU)

Sl. No	Station	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Umiam Stage-I	64.92	117.67	84.48	113.02
2	Umiam Stage-II	33.9	62.11	43.06	58.69
3	Umiam-Umtru Stage-III	110.19	129.57	108.91	93.41
4	Umiam-Umtru Stage-IV	125.26	176.00	143.27	147.92
5	Sonapani MHP	5.55	6.47	5.50	6.62
6	MyntduLeshka HEP	380.34	359.69	0.00	362.06
7	New Umtru HEP	160.79	196.24	301.08	187.28
8	Lakroh MHP	4.04	3.43	162.91	3.35
Total		884.99	1051.19	886.38	972.35

The generation from Ganol SHP in 2024-25 has been 59.59 MU making the total generation as 1031.93 MU in 2024-25.

2. Plant Availability Factor

The Plant Availability Factor of the generating stations for past three years is tabulated below:

Table 3 Actual Plant Availability Factor of MePGCL Generating Stations

Sl. No	POWER STATION	2021-22	2022-23	2023-24	2024-25
1	Stage-I Power Station, Sumer	75.94	96.04	83.93	95.67
2	Stage II Power Station, Umsumer	98.5	98.33	99.54	99.73
3	Stage III Power Station, Kyrdemkulai	83.1	82.6	98.82	90.81
4	Stage IV Power Station, Nongkhylllem	48.44	63.68	99.22	87.33
5	Umtru Power Station, Byrnihat	0.00	0.00	0.00	0.00
6	Sonapani Mini Power Station	92.37	98.51	97.00	98.87
7	Myntdu Leshka Power Station.	87.68	59.36	67.81	93.84
8	New Umtru Power station, Byrnihat	91.08	90.46	97.01	99.59
9	Lakroh Power Station	60.03	77.69	90.12	95.29

4. COMPUTATION OF COMPONENTS OF AGGREGATE REVENUE REQUIREMENT FOR FY 2024-25

In accordance with 2014 Tariff Regulations, the ARR of the hydro generating project shall comprise of following:

“54.1 Tariff for supply of electricity from a hydro power generating station shall comprise of two parts, namely, annual capacity charges and energy charges to be in the manner provided hereinafter.

54.2 The fixed cost of a generating station eligible for recovery through annual capacity charges shall consist of:

- (a) Return on equity as may be allowed*
- (b) Interest on Loan Capital;*
- (c) Operation and maintenance expenses;*
- (d) Interest on Working Capital;*
- (e) Depreciation as may be allowed by the Commission;*
- (f) Taxes on Income*

54.3 The annual capacity charges recoverable shall be worked out by deducting other income from the total expenses.”

The detailed methodology of Computation of individual component is based out on the orders of the Hon’ble Commission on the Truing Up of expenses for FY 2023-24.

The calculation of the individual components of ARR for following projects is discussed in subsequent chapters:

1. Myntdu-Leshka HEP.
2. New Umtru HEP
3. Lakroh MHP
4. Old plants (including Sonapani)

5. METHODOLOGY ADOPTED FOR VARIOUS COMPONENTS OF ARR

1. ADDITIONAL CAPITALIZATION:

During the year, the Company carried out a comprehensive exercise to review and convert items classified under Capital Work-in-Progress (CWIP) into Property, Plant and Equipment (PPE) upon their readiness for use. As part of this exercise, the Company identified that assets included in CWIP had actually been completed and available for use but had not been transferred to PPE in earlier years as required by the applicable Indian Accounting Standards 8 **Accounting Policies, Changes in Accounting Estimates and Errors**. This resulted in an overstatement of CWIP and an understatement of PPE and depreciation in prior periods.

As per Ind- As 8 this is classified as prior period errors and hence in line with the Provisions of Ind AS:

Errors must be corrected **retrospectively** in the first set of financial statements approved for issue after their discovery.

Method of Correction

1. **Restate comparative amounts** for the prior period(s) presented in which the error occurred.
2. If the error occurred before the earliest prior period presented, **adjust the opening balances of assets, liabilities, and equity** for the earliest period presented.

In accordance with the requirements of the applicable Accounting Standards relating to prior period errors, the Company has corrected the errors retrospectively by transferring the asset from CWIP to PPE with effect from the date assets were put to use and recognising accumulated depreciation for the period up to 31 March 2024. The net impact of the adjustment has been recognised in the opening retained earnings as at 1 April 2024, and comparative figures have been restated, wherever applicable.

Meghalaya Power Generation Corporation would like to humbly submit that the total capitalization has been considered as per the Audited Statement of Accounts- Note 2 (Property Plant and Equipment). The total addition capitalization as per the Accounts (Restated plus capitalization during the year) is **Rs. 69,85,54,851.04** with **Rs. 68,38,68,026** being amount pertaining to prior period and **Rs.1,46,86,825** being the capitalization pertaining to the current period.

The breakup of the Additional Capitalization Current year and Restated is as under:

Table 4 Additional Capitalization for FY 2024-25 (Restated Plus Current Year) (Rs. Cr.)

Name of the Scheme/Works	Capitalisation during the year	Funding Pattern of capitalisation		
		Equity	Grant	Loans
DRIP	1.24	1.24	0.00	0.00
MLHEP	0.01	0.01	0.00	0.00
NUHEP	0.04	0.04	0.00	0.00
Lakroh	0.64	0.64	0.00	0.00
Old Station	0.02	0.02	0.00	0.00
HQ	0.09	0.09	0.00	0.00
Total Capital Expenditure (Excluding GANOL)	2.05	2.04	0.00	0.00
GANOL	68.23	55.21	11.91	1.11
Total Capital Expenditure (Including GANOL)	70.27	57.25	11.91	1.11
Less: Deletion In Lakroh Project	0.42	<i>Note: Capital Expenditure pertaining to Ganol Project has not been considered in the instant Petition.</i>		
Net Capitalization	69.86			
Capitalization as Per SOA	69.86			
Difference	0.00			

The breakup of the restatement amount of Rs.68,38,68,026 is as under:

Table 5 Breakup of Capitalization – Restated (Rs. Cr.)

A. Conversion of CWIP to FA - Restated				
Project	Capitalisation During the Year	Funding of capitalisation		
		Equity	Grant	Loans
Ganol	68.16	55.14	11.91	1.11
Stage I	0.00	0.00	0.00	0.00
Stage II	0.00	0.00	0.00	0.00
Stage III	0.00	0.00	0.00	0.00
Stage IV	0.00	0.00	0.00	0.00
NUHEP	0.00	0.00	0.00	0.00
Sub-Total (A)	68.17	55.14	11.91	1.11
B. Direct Capitalization – Restated				
Lakroh	0.23	0.23		
Grand Total	68.39	55.37	11.91	1.11

The breakup of the capitalization during the Current Financial Year is as under:

Table 6 Capitalization During the Current Year (Rs. Cr.)

Name of the Scheme/Works	Project	Capitalisation during the year	Funding of capitalisation			Remarks
			Equity	Grant	Loans	
A. Capitalization from CWIP to Fixed Assets						
DRIP	Old Stations	0.56	0.56	0.00	0.00	Purchase of Vehicles for Old Stations for DRIP related Works
Sub-Total (A)		0.56	0.56	0.00	0.00	
B. Direct Capitalization						
NA	HQ-Office Equipment	0.03	0.03	0.00	0.00	
NA	HQ- Fixture and Furniture	0.06	0.06	0.00	0.00	
DRIP	Old Stations- Office Equipments	0.68	0.68	0.00	0.00	
NA	MLHEP- Office Equipments	0.01	0.01	0.00	0.00	
NA	Lakroh- Office Equipments	0.01	0.01	0.00	0.00	
NA	NUHEP (P&M)	0.04	0.04	0.00	0.00	
NA	Ganol (P&M)	0.06	0.06	0.00	0.00	
NA	Old Stations- Office Equipments	0.02	0.02	0.00	0.00	
Sub-Total (B)		0.91	0.91	0.00	0.00	
Grant Total		1.47	1.47	0.00	0.00	

MePGCL would like to submit that the additional capitalization for individual projects has been considered in line with the above capitalizations. Further, the Capitalization related to head office equipments has been bifurcated to various projects in proportion to the installed capacity of the Station. The bifurcation of head office related capital expenditure is as under:

Table 7 Head Office Related Capitalization

Particular	Amount in Rs.
HQ-Office Equipments	3,03,740.00
HQ-Furniture and Fixtures	6,06,500.00
Total HQ	9,10,240.00

Table 8 Allocation of Head office Related Capitalization (In Rs.)

Station	Installed Capacity (MW)	%	Office Equipments	Furniture and Fixtures
Umiam Stage I	36	9.80%	29754.12	59412.24
Stage II	20	5.44%	16530.07	33006.80
Stage III	60	16.33%	49590.20	99020.41

Station	Installed Capacity (MW)	%	Office Equipments	Furniture and Fixtures
Stage IV	60	16.33%	49590.20	99020.41
Sonapani	1.5	0.41%	1239.76	2475.51
MLHEP	126	34.29%	104139.43	207942.86
NUHEP	40	10.88%	33060.14	66013.61
Lakroh	1.5	0.41%	1239.76	2475.51
Ganol	22.5	6.12%	18596.33	37132.65
Total	367.5		303740.00	606500.00
Claimed (Excluding Ganol)			285143.67	569367.35

Based on the above the project wise additional capital expenditure claimed in the instant Petition is as under:

Table 9 Station Wise Capitalization Considered For Truing Up of 2024-25

Station	Station Specific Capitalization	Allocation of HQ	Total	Equity	Grants	Loan	Deletion
Old Stations	1.26	0.04	1.30	1.30	0.00	0.00	0.00
MLHEP	0.01	0.03	0.04	0.04	0.00	0.00	0.00
NUHEP	0.04	0.01	0.05	0.05	0.00	0.00	0.00
Lakroh	0.64	0.00	0.64	0.64	0.00	0.00	0.42
Total	1.95	0.09	2.04	2.04	0.00	0.00	0.42

The project wise additional capitalization with linkage to the consolidated capitalization and funding pattern has been provided in the formulae embedded worksheet provided as Annexure to this Petition for individual stations. The auditor's certificate with regards to the capitalization and funding pattern is annexed to this Petition as **Annexure D**.

2. REVENUE FROM SALE OF POWER FOR INDIVIDUAL STATIONS:

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2024 for Truing Up of Expenses for FY 2023-24 has considered the entire ARR allowed for FY 2023-24 as revenue from sale of power relying on the Regulation 57(3) of MSERC (Multi Year Tariff) Regulations, 2014. MePGCL while considering the revenue from the sale of power in FY 2024-25 has considered the same methodology. However, MePGCL would like to humbly submit that the final tariff order for FY 2024-25 in Case No.30 of 2023 was issued by Hon'ble Commission on 24th October

2024. Till that time MePGCL was raising bills as per the Tariff Order of FY 2023-24. Further, in the aforesaid order Hon'ble Commission has directed to pass on the differential amount between ARR of FY 2024-25 and actual billing in September 2024 in 9 equal instalments starting from December 2024.

In compliance to the order of the Hon'ble Commission MePGCL billed the Arrears based on the actual generation from April 2024 to September 2024. However, for the purpose of the instant Petition the methodology adopted by the Hon'ble Commission in True Up order for FY 2023-24 has been considered.

Based on the methodology, the Station wise revenue from Sale of Power irrespective of the actual generation has been computed as under:

Table 10 Revenue from Sale of Power for FY 2024-25 (Rs. Cr.)

Particular	MLHEP	NUHEP	Lakroh	Old Stations
Approved ARR for FY 2023-24	196.73	62.45	2.34	277.14
Monthly ARR for FY 2023-24	16.39	5.20	0.20	23.10
ARR Billed from Apr to Sept	98.37	31.23	1.17	138.57
Approved ARR for FY 2024-25	165.31	52.48	1.97	232.87
Monthly ARR for FY 2024-25	13.78	4.37	0.16	19.41
ARR billed from Oct to March	82.66	26.24	0.99	116.44
Gross Revenue	181.02	57.47	2.16	255.01
Tariff Difference (Arrears)				
ARR Actually Billed	98.37	31.23	1.17	138.57
Billing as per Revised ARR	82.66	26.24	0.99	116.44
Over Recovery	-15.71	-4.99	-0.19	-22.14
Instalment Amount	-1.75	-0.55	-0.02	-2.46
Number of Instalments Billed in FY 2024-25	4	4	4	4
Arrear Amount Billed	-6.98	-2.22	-0.08	-9.84
Net Revenue	174.04	55.25	2.07	245.17

3. TREATMENT OF CAPITALIZATION OF O&M EXPENSES AS PER SOA

MePGCL would like to humbly submits that as per the Audited Statement of Accounts Note 27 and Note 30, there is a capitalization of Employee Expenses and R&M and A&G Expenses of Rs. 1.02 Crore and Rs. 0.04 Crore respectively. Further, there is a capitalization of This capitalization has not been considered as a reduction from O&M expenses as these

expenditures pertain to Ganol which is not a subject matter of the instant Petition. The Auditor's Certificate in this regards is Annexed to this Petition as **Annexure E**.

6. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR MYNTDU LESHKA HEP

6.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2023-24 as opening for FY 2024-25. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2024 has been take as the opening GFA as on 01.04.2024.

The additional capitalization has been considered as per the Methodology explained in detail in previous Chapter of this Petition.

Table 11 Opening and Closing GFA for MLHEP for FY 2024-25

Particular	Opening GFA As Approved by Hon'ble Commission on 31.03.2024	Addition During the Year	Deletion During the Year	Closing GFA
Land	23.9	0.00	0.00	23.90
Buildings	146.67	0.00	0.00	146.67
Hydraulic Works	622.94	0.00	0.00	622.94
Other Civil Works	122.7	0.00	0.00	122.70
Plant and Machinery	366.33	0.00	0.00	366.33
Lines and Cables	4.58	0.00	0.00	4.58
Vehicles	0.46	0.00	0.00	0.46
Furniture	0.08	0.021	0.00	0.10
Office Equipments	0.38	0.017	0.00	0.40
Total	1288.04	0.04	0	1288.08

MePGCL humbly prays the Hon'ble Commission to approve the GFA for MLHEP as above.

6.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon'ble Commission in the True Up of FY 2023-24

Table 12 Movement of Grants for MLHEP

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	1285.71	1285.71	1288.04
Addition of GFA	2.33	1.00	0.04
Deletion of GFA	0	0.00	

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Closing GFA	1288.04	1286.71	1288.08
Average GFA	1286.88	1286.21	1288.06
Opening Grant	232.14	232.14	234.37
Add Cap Funded Through Grant	2.23	0.00	0.00
Closing Grant	234.37	232.14	234.37
Average Grant	233.26	232.14	234.37
Addition of Fresh Normative Loan	0.07	0.70	0.03
Addition of Fresh Equity	0.03	0.30	0.01

6.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2023-24.

The computation of the depreciation is tabulated below:

Table 13 Calculation of Depreciation for MLHEP for FY 2024-25

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the Average GFA	Rate of Depreciation	Depreciation 2024-25
Land	23.9	0.00	0.00	23.90	23.90	21.51	0.00%	0.00
Buildings	146.67	0.00	0.00	146.67	146.67	132.00	3.34%	4.41
Hydraulic Works	622.94	0.00	0.00	622.94	622.94	560.65	5.28%	29.60
Other Civil Works	122.7	0.00	0.00	122.70	122.70	110.43	3.34%	3.69
Plant and Machinery	366.33	0.00	0.00	366.33	366.33	329.70	5.28%	17.41
Lines and Cables	4.58	0.00	0.00	4.58	4.58	4.12	5.28%	0.22
Vehicles	0.46	0.00	0.00	0.46	0.46	0.41	9.50%	0.04
Furniture	0.08	0.021	0.00	0.10	0.09	0.08	6.33%	0.01
Office Equipments	0.38	0.017	0.00	0.40	0.39	0.35	6.33%	0.02
Total	1288.04	0.038	0	1288.08	1288.06	1159.25		55.39
Rate of Depreciation								4.78%
90% of Average Grants								210.93
Depreciation on Grants								10.08
Net Depreciation								45.31

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for MLHEP for FY 2024-25 as Rs. 45.31 Cr.

6.4 RETURN ON EQUITY

MePGCL would like to submit that the Return on Equity has been computed as per the methodology adopted by Hon'ble Commission in True Up order for FY 2022-23 and FY 2023-24 . The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for MLHEP is tabulated below:

Table 14 Calculation of Return on Equity for MLHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	1285.71	1285.71	1288.04
Addition to GFA	2.33	1.00	0.04
Retirements	0.00	0.00	0.00
Closing GFA	1288.04	1286.71	1288.08
Average GFA	1286.88	1286.21	1288.06
Less: Average Grants	233.26	232.14	234.37
Net Average Assets (Not Funded by Grants)	1053.62	1054.07	1053.69
Normative Debt (70%)	737.53	737.85	737.58
Normative Equity (30%)	316.08	316.22	316.11
Rate of Return on Equity	14%	14%	14%
Return of Equity	44.25	44.27	44.25

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for MLHEP as Rs. 44.25 Cr for FY 2024-25

6.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2023-24. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 15 Calculation of weighted Average Rate of Interest for MLHEP

Particular	PFC Loan for MLHEP	PFC 170 Cr. Loan	REC loan MLHEP	REC Loan MLHEP (60Cr.)
Opening Balance	88.75	89.78	45.43	15.11
Addition	0.00	0.00	0.00	0.00
Repayment	16.10	16.29	25.07	8.28
Closing Balance	72.65	73.49	20.36	6.83

Particular	PFC Loan for MLHEP	PFC 170 Cr. Loan	REC loan MLHEP	REC Loan MLHEP (60Cr.)
Average Balance	80.70	81.63	32.89	10.97
Interest as per SOA	8.32	8.23	4.39	1.26
Less: Penal Interest	0.00	0.00	0.00	0.00
Net Interest	8.32	8.23	4.39	1.26
Rate of Interest on Loan	10.32%	10.08%	13.34%	11.52%
WAROI	10.77%			

The auditor's certificate with respect to loan portfolio is annexed to this Petition as **Annexure F**. The depreciation claimed for FY 2024-25 has been considered as normative repayment. The calculation of the interest on loan is tabulated below:

Table 16 Calculation of Interest on Loan for MLHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Normative Loan Opening	182.19	137.08	137.14
Addition of Loan	0.07	0.7	0.03
Repayment	45.12	45.13	45.31
Closing Loan	137.14	92.65	91.85
Average Loan	159.67	114.865	114.50
Weighted Average Rate of Interest	10.71%	11.59%	10.77%
Interest on Loan	17.10	13.31	12.33

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs.12.33 Cr. for FY 2024-25

6.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2024 for truing up of expenses of FY 2023-24 has approved operation and maintenance expenses for MLHEP as Rs. 37.55 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2024-25

by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2023-24.

The O&M expenses for FY 2024-25 is tabulated below:

Table 17 Operation and Maintenance Expenses for MLHEP for FY 2024-25

Particular	Approved FY 2023-24	Normative O&M for FY 2024-25
Operation and Maintenance Exp.	37.55	39.70

MePGCL prays Hon'ble Commission to approve the O&M Expenses for MLHEP for FY 2024-25 as Rs. 39.70 Cr.

6.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2024 comes out to be Rs. 15.00%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 18 Computation of Interest on Working Capital for MLHEP for FY 2024-25

Particular	Claim FY 2024-25
Operation and Maintenance Exp. (1 Month)	3.31
Maintenance Spares	6.31
Receivables	24.45

Particular	Claim FY 2024-25
Total Working Capital Requirement	34.07
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	5.11

MePGCL humbly prays the Hon’ble Commission to approve interest on working capital for FY 2024-25 for MLHEP as Rs. 5.11 Cr.

6.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from MLHEP has been considered based on the detailed Methodology provided in Chapter 5 of the Instant Petition which comes out to Rs. 174.04 Cr. MePGCL prays the Hon’ble Commission to approve the revenue as Rs174.04 Cr.

6.9 AGGREGATE REVENUE REQUIREMENT FOR MLHEP

Based on the computation of the individual components of ARR for MLHEP as detailed out in above paragraphs the ARR and Gap/(surplus) for MLHEP is tabulated below:

Table 19 Aggregate Revenue Requirement for MLHEP for FY 2024-25

Particular	Approved 2024-25	Actual 2024-25
Depreciation	45.13	45.31
Interest on Loan	13.31	12.33
Return on Equity	44.27	44.25
Operation and Maintenance Exp.	39.7	39.70
Interest on Working Capital	5.08	5.11
Total ARR	147.49	146.71
Add: Revenue Gap - True Up for FY 2022-23 (Review)	0.00	5.46
Add: Revenue GAP - True Up for FY 2021-22	72.19	72.19
Add: Revenue GAP - True Up for FY 2022-23	-63.87	-63.87
Net ARR	155.81	160.49
Revenue from Operation		174.04
Revenue Gap/ (Surplus) for FY 2024-25		-13.55
Gap Allowed in True up 2022-23		-63.87
Gap Allowed in Review of True Up of 2022-23		-58.41
Impact		5.46

MePGCL humbly requests the Hon'ble Commission to approve the ARR for MLHEP as Rs. 160.49 Cr for 2024-25 and Surplus of Rs.13.55 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

7. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR NEW UMTRU HEP

7.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon’ble Commission in the True Up of FY 2023-24 as opening for FY 2024-25. Hence, the closing GFA approved by Hon’ble Commission as on 31.03.2024 has been take as the opening GFA as on 01.04.2024.

The additional capitalization has been considered as per the Methodology explained in detail in previous Chapter of this Petition.

Table 20 Opening and Closing GFA for NUHEP for FY 2024-25

Particular	Opening GFA As Approved by Hon’ble Commission on 31.03.2024	Addition During the Year	Deletion During the Year	Closing GFA
Land	1.69			1.69
Buildings	91.87			91.87
Hydraulic Works	299.32			299.32
Other Civil Works	32.49			32.49
Plant and Machinery	163.48	0.04		163.52
Lines and Cables	3.86			3.86
Vehicles	1.83			1.83
Furniture	0.10	0.01		0.11
Office Equipments	0.10	0.00		0.10
Total	594.74	0.05	0	594.79

MePGCL humbly prays the Hon’ble Commission to approve the GFA for NUHEP as above.

7.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon’ble Commission in the True Up of FY 2023-24.

Table 21 Movement of Grants for NUHEP

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	586.06	586.06	594.75
Addition of GFA	8.69	0.00	0.05

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Deletion of GFA	0	0.00	
Closing GFA	594.75	586.06	594.80
Average GFA	590.41	586.06	594.78
Opening Grant	0	0.00	8.65
Add Cap Funded Through Grant	8.65	0.00	0.00
Closing Grant	8.65	0.00	8.65
Average Grant	4.33	0.00	8.65
Addition of Fresh Normative Loan	0.03	0.00	0.04
Addition of Fresh Equity	0.01	0.00	0.02

7.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2023-24.

The computation of the depreciation is tabulated below:

Table 22 Calculation of Depreciation for NUHEP for FY 2024-25

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the Average GFA	Rate of Depreciation	Depreciation 2024-25
Land	1.69			1.69	1.69	1.521	0.00%	0.00
Buildings	91.87			91.87	91.87	82.68	3.34%	2.76
Hydraulic Works	299.32			299.32	299.32	269.39	5.28%	14.22
Other Civil Works	32.49			32.49	32.49	29.24	3.34%	0.98
Plant and Machinery	163.48	0.04		163.52	163.50	147.15	5.28%	7.77
Lines and Cables	3.86			3.86	3.86	3.47	5.28%	0.18
Vehicles	1.83			1.83	1.83	1.65	9.50%	0.16
Furniture	0.10	0.01		0.11	0.10	0.09	6.33%	0.01
Office Equipments	0.10	0.00		0.10	0.10	0.09	6.33%	0.01
Total	594.74	0.05	0	594.79	594.77	535.29		26.08
Rate of Depreciation								4.87%
90% of Average Grants								7.79
Depreciation on Grants								0.38
Net Depreciation								25.70

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for NUHEP for FY 2024-25 as Rs. 25.70 Cr.

7.4 RETURN ON EQUITY

MePGCL would like to submit that the Return on Equity has been computed as per the methodology adopted by Hon'ble Commission in True Up order for FY 2022-23 and FY 2023-24. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for NUHEP is tabulated below:

Table 23 Calculation of Return on Equity for NUHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	586.06	586.06	594.75
Addition to GFA	8.69	0.00	0.05
Retirements	0.00	0.00	0.00
Closing GFA	594.75	586.06	594.805
Average GFA	590.41	586.06	594.78
Less: Average Grants	4.32	0	8.65
Net Average Assets (Not Funded by Grants)	586.09	586.06	586.13
Normative Debt (70%)	410.26	410.24	410.29
Normative Equity (30%)	175.83	175.82	175.84
Rate of Return on Equity	14%	14%	14%
Return of Equity	24.62	24.61	24.62

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for NUHEP as Rs. 24.62 Cr for FY 2024-25.

7.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2023-24. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 24 Calculation of weighted Average Rate of Interest for NUHEP

Particular	PFC Loan for NUHEP
Opening Balance	281.41
Addition	0.00

Particular	PFC Loan for NUHEP
Repayment	31.45
Closing Balance	249.96
Average Balance	265.69
Interest as per SOA	27.59
Less: Penal Interest	0.00
Net Interest	27.59
Rate of Interest on Loan	10.39%
WAROI	10.39%

The auditor's certificate with regards to loan portfolio is annexed to this Petition as **Annexure F**. The Depreciation claimed during the year has been considered as Normative Repayment of Loan. The calculation of the interest on loan is tabulated below:

Table 25 Calculation of Interest on Loan for NUHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Normative Loan Opening	254.19	228.52	228.53
Addition of Loan	0.03	0	0.04
Repayment	25.69	25.68	25.70
Closing Loan	228.53	202.84	202.86
Average Loan	241.36	215.68	215.70
Weighted Average Rate of Interest	10.38%	11.31%	10.39%
Interest on Loan	25.05	24.39	22.40

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs. 22.40 Cr. for FY 2024-25

7.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2024 for truing up of expenses of FY 2023-24 has approved operation and maintenance expenses for NUHEP as Rs. 14.21 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2024-25 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2023-24.

The O&M expenses for FY 2024-25 is tabulated below:

Table 26 Operation and Maintenance Expenses for NUHEP for FY 2024-25

Particular	Approved FY 2023-24	Normative O&M for FY 2024-25
Operation and Maintenance Exp.	14.21	15.02

MePGCL prays Hon'ble Commission to approve the O&M Expenses for NUHEP for FY 2024-25 as Rs. 15.02 Cr.

7.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2024 comes out to be Rs. 15.00%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 27 Computation of Interest on Working Capital for NUHEP for FY 2024-25

Particular	Claim FY 2024- 25
Operation and Maintenance Exp (1 Month)	1.25
Maintenance Spares	2.39
Receivables	15.09
Total Working Capital Requirement	18.73
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	2.81

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2024-25 for NUHEP as Rs. 2.81 Cr.

7.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from NUHEP has been considered based on the detailed Methodology provided in Chapter 5 of the Instant Petition which comes out to Rs. 55.25 Cr. MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 55.25 Cr.

7.9 AGGREGATE REVENUE REQUIREMENT FOR NUHEP

Based on the computation of the individual components of ARR for NUHEP as detailed out in above paragraphs the ARR and Gap/(surplus) for NUHEP is tabulated below:

Table 28 Aggregate Revenue Requirement for NUHEP for FY 2024-25

Particular	Approved 2024-25	Actual 2024-25
Depreciation	25.68	25.70
Interest on Loan	24.39	22.40
Return on Equity	24.61	24.62
Operation and Maintenance Exp.	15.02	15.02
Interest on Working Capital	2.83	2.81
Total ARR	92.53	90.56
Add: Revenue Gap - True Up for FY 2022-23 (Review)	0.00	7.13
Add: Revenue GAP - True Up for FY 2021-22	54.42	54.42
Add: Revenue GAP - True Up for FY 2022-23	208.61	208.61
Net ARR	355.56	360.72
Revenue from Operation		55.25

Particular	Approved 2024-25	Actual 2024-25
Revenue Gap/ (Surplus) for FY 2024-25		305.47
Gap Allowed in True up 2022-23		208.61
Gap Allowed in Review of True Up of 2022-23		215.74
Impact		7.13

MePGCL humbly requests the Hon'ble Commission to approve the ARR for NUHEP as Rs. 360.72 Cr for 2024-25 and Revenue Gap as Rs.305.47 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

8. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR LAKROH SMALL HEP

8.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2023-24 as opening for FY 2024-25. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2024 has been take as the opening GFA as on 01.04.2024.

The additional capitalization has been considered as per the Methodology explained in detail in previous Chapter of this Petition.

Table 29 Opening and Closing GFA for Lakroh SHEP for FY 2024-25

Particular	Opening GFA	Addition	Deletion	Closing GFA
Land	0			0.00
Buildings	2.46	0.03		2.49
Hydraulic Works	9.37	0.06	0.01	9.42
Other Civil Works	2.18	0.11	0.01	2.28
Plant and Machinery	7.29	0.40	0.23	7.46
Lines and Cables	1.54	0.03	0.17	1.41
Vehicles	0			0.00
Furniture	0.01	0.00		0.01
Office Equipments	0.01	0.01		0.02
Total	22.86	0.64	0.42	23.09

MePGCL humbly prays the Hon'ble Commission to approve the GFA for LAKROH as above.

8.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon'ble Commission in the True Up of FY 2023-24.

Table 30 Movement of Grants for Lakroh SHEP

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	22.73	22.73	22.86
Addition of GFA	0.13	0.60	0.64
Deletion of GFA	0	0.00	0.42
Closing GFA	22.86	23.33	23.09
Average GFA	22.80	23.03	22.97

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening Grant	11.75	11.75	11.75
Add Cap Funded Through Grant	0	0.00	0.00
Closing Grant	11.75	11.75	11.75
Average Grant	11.75	11.75	11.75
Addition of Fresh Normative Loan	0.09	0.42	0.16
Addition of Fresh Equity	0.04	0.18	0.07

8.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2023-24.

The computation of the depreciation is tabulated below:

Table 31 Calculation of Depreciation for Lakroh SHEP for FY 2024-25

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the Average GFA	Rate of Depreciation	Depreciation 2024-25
Land	0			0.00	0.00	0	0.00%	0.00
Buildings	2.46	0.03		2.49	2.48	2.23	3.34%	0.07
Hydraulic Works	9.37	0.06	0.01	9.42	9.39	8.45	5.28%	0.45
Other Civil Works	2.18	0.11	0.01	2.28	2.23	2.01	3.34%	0.07
Plant and Machinery	7.29	0.40	0.23	7.46	7.38	6.64	5.28%	0.35
Lines and Cables	1.54	0.03	0.17	1.41	1.47	1.33	5.28%	0.07
Vehicles	0			0.00	0.00	0.00	9.50%	0.00
Furnitures	0.01	0.00		0.01	0.01	0.01	6.33%	0.00
Office Equipments	0.01	0.01		0.02	0.01	0.01	6.33%	0.00
Total	22.86	0.64	0.42	23.09	22.97	20.68		1.01
Rate of Depreciation								4.88%
90% of Average Grants								10.58
Depreciation on Grants								0.52
Net Depreciation								0.49

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for Lakroh SHEP for FY 2024-25 as Rs. 0.49 Cr.

8.4 RETURN ON EQUITY

MePGCL would like to submit that the Return on Equity has been computed as per the methodology adopted by Hon’ble Commission in True Up order for FY 2022-23 and FY 2023-24. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for Lakroh SHEP is tabulated below:

Table 32 Calculation of Return on Equity for Lakroh SHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	22.73	22.73	22.86
Addition to GFA	0.13	0.60	0.64
Retirements	0.00	0.00	0.42
Closing GFA	22.86	23.33	23.09
Average GFA	22.80	23.03	22.97
Less: Average Grants	11.75	11.75	11.75
Net Average Assets (Not Funded by Grants)	11.05	11.28	11.22
Normative Debt (70%)	7.73	7.90	7.86
Normative Equity (30%)	3.31	3.38	3.37
Rate of Return on Equity	14%	14%	14%
Return of Equity	0.46	0.47	0.47

MePGCL humbly prays the Hon’ble Commission to approve the return on equity for Lakroh as Rs. 0.47 Cr for FY 2024-25.

8.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon’ble Commission in True Up order for FY 2023-24. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 33 Calculation of weighted Average Rate of Interest for Lakroh SHEP

Particular	PFC Loan for Lakroh
Opening Balance	4.87

Particular	PFC Loan for Lakroh
Addition	0.00
Repayment	4.87
Closing Balance	0.00
Average Balance	2.44
Interest as per SOA	0.14
Less: Penal Interest	0.00
Net Interest	0.14
Rate of Interest on Loan	5.64%
WAROI	5.64%

The auditor’s certificate with regards to loan portfolio is annexed to this Petition as **Annexure F**. The Depreciation claimed during the year has been considered as Normative Repayment of Loan. The calculation of the interest on loan is tabulated below:

Table 34 Calculation of Interest on Loan for Lakroh SHEP for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Normative Loan Opening	3.58	3.10	3.18
Addition of Loan	0.09	0.42	0.16
Repayment	0.49	0.5	0.49
Closing Loan	3.18	3.02	2.85
Average Loan	3.38	3.06	3.01
Weighted Average Rate of Interest	9.99%	10.18%	5.64%
Interest on Loan	0.34	0.31	0.17

MePGCL humbly prays the Hon’ble Commission to approve interest on loan as Rs 0.17 Cr. for FY 2024-25

8.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

“56 (7) “In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years.”

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2024 for truing up of expenses of FY 2023-24 has approved operation and maintenance expenses for Old Stations as Rs. 37.78 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2024-25 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2023-24.

The O&M expenses for FY 2024-25 is tabulated below:

Table 35 Operation and Maintenance Expenses for Old Stations for FY 2024-25

Particular	Approved FY 2023-24	Normative O&M for FY 2024-25
Operation and Maintenance Exp.	0.54	0.57

MePGCL prays Hon'ble Commission to approve the O&M Expenses for LAKROH for FY 2024-25 as Rs. 0.57 Cr.

8.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2024 comes out to be Rs. 15.00%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 36 Computation of Interest on Working Capital for Lakroh SHEP for FY 2024-25

Particular	Claim FY 2024-25
Operation and Maintenance Exp (1 Month)	0.05
Maintenance Spares	0.09
Receivables	0.30
Total Working Capital Requirement	0.43
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	0.07

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2024-25 for Lakroh SHEP as Rs. 0.07 Cr.

8.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from Lakroh has been considered based on the detailed Methodology provided in Chapter 5 of the Instant Petition which comes out to Rs. 2.07 Cr.

MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 2.07 Cr.

8.9 AGGREGATE REVENUE REQUIREMENT FOR LAKROH

Based on the computation of the individual components of ARR for Lakroh SHEP as detailed out in above paragraphs the ARR and Gap/(surplus) for Lakroh SHEP is tabulated below:

Table 37 Aggregate Revenue Requirement for Lakroh SHEP for FY 2024-25

Particular	Approved 2024-25	Actual 2024-25
Depreciation	0.5	0.49
Interest on Loan	0.31	0.17
Return on Equity	0.47	0.47
Operation and Maintenance Exp.	0.57	0.57
Interest on Working Capital	0.07	0.07
Total ARR	1.92	1.77
Add: Revenue Gap - True Up for FY 2022-23 (Review)	0.00	0.11
Add: Revenue GAP - True Up for FY 2021-22	1.15	1.15
Add: Revenue GAP - True Up for FY 2022-23	2.74	2.74
Net ARR	5.81	5.77
Revenue from Operation		2.07

Particular	Approved 2024-25	Actual 2024-25
Revenue Gap/ (Surplus) for FY 2024-25		3.70
Gap Allowed in True up 2022-23		2.74
Gap Allowed in Review of True Up of 2022-23		2.85
Impact		0.11

MePGCL humbly requests the Hon'ble Commission to approve the ARR for Lakroh SHEP as Rs. 5.77 Cr for 2024-25 and Revenue Gap as Rs.3.70 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

9. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR OLD STATIONS OF MEPGCL (INCLUDING SONAPANI)

9.1 GROSS FIXED ASSETS (GFA) AND MOVEMENT OF GRANTS

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon’ble Commission in the True Up of FY 2023-24 as opening for FY 2024-25. Hence, the closing GFA approved by Hon’ble Commission as on 31.03.2024 has been take as the opening GFA as on 01.04.2024.

The additional capitalization has been considered as per the Methodology explained in detail in previous Chapter of this Petition.

Table 38 Opening and Closing GFA for Movement of Grants OLD STATIONS for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	51.74	51.74	75.06
Addition of GFA	23.44	0.00	1.30
Deletion of GFA	0.12	0.00	0.00
Closing GFA	75.06	51.74	76.36
Average GFA	63.40	51.74	75.71
Opening Grant	22.46	22.46	43.16
Add Cap Funded Through Grant	20.7	0.00	0.00
Closing Grant	43.16	22.46	43.16
Average Grant	32.81	22.46	43.16
Addition of Fresh Normative Loan	1.83	0.00	0.91
Addition of Fresh Equity	0.79	0.00	0.39

MePGCL humbly prays the Hon’ble Commission to approve the GFA for Old Stations as above.

9.2 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon’ble Commission in the True Up order for FY 2023-24. The computation of the depreciation is tabulated below:

Table 39 Depreciation for Old Stations for FY 2024-25

Particular	Actual 2024-25
GFA as on 31.03.2024	75.06
Addition during 2024-25	1.30
Retirement during 2024-25	0.00
Closing GFA	76.36
Average GFA	75.71
90% of Average GFA	68.14
Depreciation Rate	5.28%
Depreciation for FY 2024-25	3.60
90% of Average Grants in GFA	38.84
Depreciation on Grants	2.05
Net Depreciation for ARR	1.55

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for OLD STATIONS for FY 2024-25 as Rs. 1.55 Cr.

9.3 RETURN ON EQUITY

MePGCL would like to submit that the Return on Equity has been computed as per the methodology adopted by Hon'ble Commission in True Up order for FY 2022-23 and FY 2023-24. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for Old Stations is tabulated below:

Table 40 Calculation of Return on Equity for OLD STATIONS for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Opening GFA	51.74	51.74	75.06
Addition to GFA	23.44	0.00	1.30
Retirements	0.12	0.00	0.00
Closing GFA	75.06	51.74	76.36
Average GFA	63.40	51.74	75.71
Less: Average Grants	32.81	22.46	43.16
Net Average Assets (Not Funded by Grants)	30.59	29.28	32.55
Normative Debt (70%)	21.41	20.50	22.79
Normative Equity (30%)	9.18	8.78	9.77
Rate of Return on Equity	14%	14%	14%
Return of Equity	1.28	1.23	1.37

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for Old Stations as Rs. 1.37Cr for FY 2024-25.

9.4 **INTEREST ON LOAN**

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2023-24. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 41 Calculation of weighted Average Rate of Interest for OLD STATIONS

Particular	State Govt. Loans
Opening Balance	265.90
Addition	1.11
Repayment	0.00
Closing Balance	267.01
Average Balance	266.45
Interest as per SOA	12.19
Less: Penal Interest	0.00
Net Interest	12.19
Rate of Interest on Loan	4.57%
WAROI	4.57%

The auditor's certificate with regards to loan portfolio is annexed to this Petition as **Annexure F**. The Depreciation claimed during the year has been considered as Normative Repayment of Loan. The calculation of the interest on loan is tabulated below:

Table 42 Calculation of Interest on Loan for Old Stations for FY 2024-25

Particular	Approved 2023-24	Approved 2024-25	Actual 2024-25
Normative Loan Opening	0.21	0.00	0.59
Addition of Loan	1.83	0	0.91
Repayment	1.45	0	1.55
Closing Loan	0.59	0	0.00
Average Loan	0.40	0	0.30
Weighted Average Rate of Interest	10.36%	4.68%	4.57%
Interest on Loan	0.04	0.00	0.01

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs. 0.01 Cr. for FY 2024-25

9.5 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2024 for truing up of expenses of FY 2023-24 has approved operation and maintenance expenses for Old Stations as Rs. 37.78 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2024-25 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2023-24.

The O&M expenses for FY 2024-25 is tabulated below:

Table 43 Operation and Maintenance Expenses for OLD STATIONS for FY 2024-25

Particular	Approved FY 2023-24	Normative O&M for FY 2024-25
Operation and Maintenance Exp.	37.78	39.94

MePGCL prays Hon'ble Commission to approve the O&M Expenses for Old Stations for FY 2024-25 as Rs. 39.94 Cr.

9.6 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2024 comes out to be Rs. 15.00%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 44 Computation of Interest on Working Capital for OLD STATIONS for FY 2024-25

Particular	Claim FY 2024-25
Operation and Maintenance Exp (1 Month)	3.33
Maintenance Spares	6.35
Receivables	8.10
Total Working Capital Requirement	17.78
Rate of Interest on Working Capital	15.00%
Interest on Working Capital	2.67

MePGCL humbly prays the Hon’ble Commission to approve interest on working capital for FY 2024-25 for OLD STATIONS as Rs. 2.67 Cr.

9.7 REVENUE FROM SALE OF POWER

The revenue from sale of power from Old Stations has been considered based on the detailed Methodology provided in Chapter 5 of the Instant Petition which comes out to Rs. 245.17 Cr.

MePGCL prays the Hon’ble Commission to approve the revenue as Rs. 245.17 Cr.

9.8 OTHER INCOME

MePGCL would like to submit that the Other Income has been considered as per Audited Statement of Accounts with the following exceptions.

- a. The amortisation of Grants has not been considered as Non-Tariff Income – Rs. 14.88 Crore (as per SOA)

- b. Provisions Written Back has not been considered as Non-Tariff Income – Rs. 0.79 Crore (as per SOA)

The Claim for Other income for Old Stations for FY 2024-25 is tabulated below:

Table 45 Other Income for Old Stations

Particular	Amount
Interest from Banks	3.96
Sale of Scrap and Tender Forms	1.07
Misc. Receipts	1.81
Laboratory Testing Fees	0.03
Total	6.87

9.9 AGGREGATE REVENUE REQUIREMENT FOR OLD STATIONS

Based on the computation of the individual components of ARR for Old Stations as detailed out in above paragraphs the ARR and Gap/(surplus) for OLD STATIONS is tabulated below:

Table 46 Aggregate Revenue Requirement for OLD STATIONS for FY 2024-25

Particular	Approved 2024-25	Actual 2024-25
Depreciation	1.39	1.55
Interest on Loan	0	0.01
Return on Equity	1.23	1.37
Operation and Maintenance Exp.	39.95	39.94
Interest on Working Capital	2.53	2.67
SLDC Charges	3.46	3.09
Total ARR	48.56	48.63
Less: Non-Tariff Income	4.90	6.87
Add: Revenue Gap - True Up for FY 2022-23 (Review)	0.00	0
Add: Revenue GAP - True Up for FY 2021-22	-0.9	-0.9
Add: Revenue GAP - True Up for FY 2022-23	-175.26	-175.26
Net ARR	-132.50	-134.40
Revenue from Operation		245.17
Revenue Gap/ (Surplus) for FY 2024-25		-379.57

MePGCL humbly requests the Hon'ble Commission to approve the ARR for OLD STATIONS as (-) Rs. 134.40 Cr for 2024-25 and Revenue Gap as (-) Rs.379.57 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

10. CONSOLIDATED ARR FOR MEPGCL AS A WHOLE

Based on the calculation of the ARR for individual plants in the above chapters the consolidated ARR and Gap for MePGCL has a whole is tabulated below:

Table 48 Consolidated ARR for MePGCL For FY 2024-25

S No	Particular	MLHEP	NUHEP	Lakroh	Old Station
1	Depreciation	45.31	25.70	0.49	1.55
2	Return on Equity	12.33	22.40	0.17	0.01
3	O&M Expenses	44.25	24.62	0.47	1.37
4	Interest and Finance Charges	39.70	15.02	0.57	39.94
5	Interest on Working Capital	5.11	2.81	0.07	2.67
6	SLDC Charges	0.00	0.00	0.00	3.09
7	Prior Period Expenses	0.00	0.00	0.00	0.00
	Total AFC	146.71	90.56	1.77	48.63
8	Less Non- Tariff Income	0.00	0.00	0.00	6.87
	Add: Revenue Gap - True Up for FY 2022-23 (Review)	5.46	7.13	0.11	0.00
	Add: Revenue GAP - True Up for FY 2021-22	72.19	54.42	1.15	-0.90
	Add: Revenue GAP - True Up for FY 2022-23	-63.87	208.61	2.74	-175.26
	Net AFC	160.49	360.72	5.77	-134.40
9	Revenue From Operation	174.04	55.25	2.07	245.17
	Revenue Gap/ (Surplus)	-13.55	305.47	3.70	-379.57
	Total Gap/ (Surplus)		-83.96		

Table 48 Computation of Revenue Gap for FY 2024-25

Total Gap for MePGCL for FY 2024-25	-83.96
Pension Liabilities Accrued IInd Instalment	66.71
Total Comprehensive Income (1/3) MeECL	0.63
Gap After Comprehensive Income	-16.62

MePGCL thus prays Hon'ble Commission to approve the consolidated Surplus of Rs. 16.62 Cr for FY 2024-25

11. CLAIM TOWARDS SHORTFALL OF GENERATION IN FY 2023-24

Hon'ble Commission vide order dated 22.03.2025 in Case No. 04 of 2025 in the matter of Truing Up of Expenses for FY 2023-24 has considered the entire ARR allowed for FY 2023-24 as revenue and has considered Rs. 79.48 Crore has shortfall amount due to lower than design energy generation relying on the Regulation 57 (3) of the MSERC (MYT) Regulations, 2014.

The Regulation 57(3) of the MYT Regulations 2014 specifies that:

“(3) In case actual total energy generated by a hydro generating station during a year is less than the design energy for reasons beyond the control of the generating company, the following treatment shall be applied on a rolling basis:

(i) in case the energy shortfall occurs within ten years from the date of commercial operation of a generating station, the ECR for the year following the year of energy shortfall shall be computed based on the formula specified in clause (2) with the modification that the DE for the year shall be considered as equal to the actual energy generated during the year of the shortfall, till the energy charge shortfall of the previous year has been made up, after which normal ECR shall be applicable;

(ii) in case the energy shortfall occurs after ten years from the date of commercial operation of a generating station, the following shall apply: Suppose the specified annual design energy for the station is DE MWh, and the actual energy generated during the concerned (first) and the following (second) financial years is A1 and A2 MWh respectively, A1 being less than DE. Then, the design energy to be considered in the formula in clause (5) of this Regulation for calculating the ECR for the third financial year shall be moderated as $(A1 + A2 - DE)$ MWh, subject to a maximum of DE MWh and a minimum of A1 MWh.

(iii) Actual energy generated (e.g. A1, A2) shall be arrived at by multiplying the net metered energy sent out from the station by $100 / (100 - AUX)$.

(4) In case the energy charge rate (ECR) for a hydro generating station, as computed in sub-clause (2) above, exceeds eighty paise per kWh, and the actual saleable energy in a year exceeds $\{DE \times (100 - AUX) \times (100 - FEHS) / 10000\}$ MWh, the Energy charge for the energy in excess of the above shall be billed at eighty paise per kWh only:

Provided that in a year following a year in which total energy generated was less than the design energy for reasons beyond the control of the generating company, the energy charge rate shall be reduced to eighty paise per kWh after the energy charge shortfall of the previous year has been made up.”

Based on the above extract of the Regulation MePGCL would like to humbly submit that after the issuance of the True Up Order MePGCL has raised a supplementary bill on MePDCL for the shortfall of generation in FY 2023-24 in the year FY 2024-25 which has been accounted in the books of accounts. The total value of these bills is Rs. 69.51 Crore. This was done as the accounts were getting finalized.

However, an analysis of the shortfall was done based on the actual discharge available in each month against the design discharge of that particular month. The generation based on the

actual discharge has been estimated in proportion of the Design Energy and Design Discharge of the particular month.

Wherever the actual generation was lower than the pro-rata generation computed based on the actual discharge available, the shortfall in generation attributable to water availability has been considered as zero. In case the actual generation is more than the pro-rate generation, the shortfall has been considered attributable to water availability and the difference between design energy and actual generation has been considered as shortfall on accounts of water availability.

For the purpose of billing of FY 2024-25 the Design Energy of the Project has been replaced with the difference of the Design Energy of the project less Shortfall in generation in FY 2023-24 attributable to the water availability.

The Summary of the entire exercise and the amount that can be recovered in FY 2024-25 is tabulated below:

Table 49 Computation of Shortfall in Generation in FY 2023-24 on Account of Water Availability

Name of Plant	Design Energy (MU)	Actual Generation 2023-24 (MU)	Shortfall (MU)	Short Fall Due to Water Availability (MU)	Design Energy To be Considered for Billing in 2024-25 (MU)	Recovery Amount 2024-25 (CR)
MLHEP	486.22	304.05	182.17	23.30	462.92	3.09
NUHEP	235.00	163.60	71.40	45.22	189.78	5.21
Umiam Stage I	116.29	85.42	30.87	5.14	111.15	1.01
Umiam Stage II	45.50	43.43	2.07	2.07	43.43	1.00
Umiam Stage III	139.00	111.29	27.71	13.69	125.31	11.77
Umiam Stage IV	207.39	144.18	63.21	0.00	207.39	0
Total	1229.40	851.97	377.44	89.43	1139.97	22.08

MePGCL would like to further submit that these figures have not been included in the True Up ARR of the individual stations as the same is subject to approval of Hon'ble Commission. Hence, MePGCL would like to humbly pray that in case the Hon'ble Commission approves the above figures, the same may please be passed on as an addition to True Up ARR of the individual stations.

The detailed working of the computation of the shortfall and subsequent billing is being submitted in form of Formula embedded excel sheet.

12. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2026-27 AND DETERMINATION OF GENERATION TARIFF FOR 2026-27

MePGCL would like to submit that the Aggregate Revenue Requirement for FY 2026-27 was approved by Hon'ble Commission vide order dated 24.10.2024 in Case No.30 of 2023. In the instant Petition, MePGCL is submitting the revised ARR for FY 2026-27. MePGCL would like to submit that the components of the ARR have been revised only to the extent of inclusion of capitalization and funding pattern of the capitalization for FY 2024-25. In addition, there are certain expenditures are most likely to be incurred in FY 2025-26 which will have an impact on the ARR for future years however, since such expenditures are yet to be incurred MePGCL has not made them as part of ARR, and it only seeking in principle approval of Hon'ble Commission to claim them as and when they are incurred and appear in the Audited Statement of Accounts.

12.1 REGULATORY BACKGROUND FOR MYT ARR PETITION

As per Regulation 4 of the 2014 Tariff Regulations:

The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15th September 2014. It is submitted that Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) regulations, 2014 since amended via notification dated 3rd August 2023, states as under:

“MSERC hereby extends applicability of MYT Regulations for a fourth term of MYT control period from 1.04.2024 to 31.03.2027”.

The Regulation 6 of the MYT Regulations, 2014, provides the guidelines for filing of Multi Year Tariff. The relevant sections are reproduced below:

“6 Accounting statement and filing under MYT

6.1 The filing under MYT by the Generating Company, Transmission Licensee, and Distribution Licensee, shall be done on or before 30th November each year to the Commission and in compliance with the principles for determination of ARR as specified in these Regulations, in such formats and at such time as may be prescribed by the Commission from time to time. The filing of truing up of petitions prior to MYT period shall be done in the manner and at such time as may be decided by the Commission.

6.2 The filing of MYT Petition for the Control Period under these Regulations shall be as under:

a) MYT Petition shall comprise of:

i. Multi-year Aggregate Revenue Requirement for the entire Control Period with year-wise details;

ii. Revenue from the sale of power at existing tariffs and charges and projected revenue gap, for the first year of the Control Period under these Regulations.

iii. Application for determination of tariff for first year of the Control Period.

.....

MePGCL requests the Commission to consider the revised ARR Petition for FY 2026-27 based on the finalized statement of accounts for FY 2024-25. This is applicable and allowable as per Clause 18 of the MSERC Multi Year Tariff Regulations, 2014 which is given below:

“18 Filing Procedure

18.1 The applicant shall file the petition for approval of truing up of previous year and tariff for ensuing financial year on or before 30 November each year provided that MYT petition for FY 2015-16 to 2017-18 shall be filed along with the business plan... ..

18.2 Provided that the information should be based on audited accounts and in case audited accounts of previous year is not available audited accounts for the year immediately preceding the previous year should be filed along with the unaudited accounts for the previous year”

MePGCL would like to submit the MYT ARR Petition has been prepared based on the provisions of the aforesaid Regulations and the Order of Hon’ble Commission dated 22.03.2025 in Case No. 04 of 2024 (Truing Up of FY 2023-24),

13. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2026-27 FOR MLHEP

13.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2025 have been taken as the closing GFA of 2024-25. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the 2025-26 and 2026-27 is tabulated below:

Table 50 GFA for MLHEP for Fourth Control Period

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	1288.04	1288.08	1332.58
Addition of GFA	0.04	44.50	76.38
Deletion of GFA	0.00	0.00	0.00
Closing GFA	1288.08	1332.58	1408.96

13.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for MLHEP has been tabulated below:

Table 51 Movement of Grants

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	1288.04	1288.08	1332.58
Addition of GFA	0.04	44.50	76.38
Deletion of GFA	0.00	0.00	0.00
Closing GFA	1288.08	1332.58	1408.96
Average GFA	1288.06	1310.33	1370.77
Opening Grant	234.37	234.37	234.37
Add Cap Funded Through Grant	0.00	0.00	54.99
Closing Grant	234.37	234.37	289.36
Average Grant	234.37	234.37	261.87

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Addition of Fresh Normative Loan	0.03	31.15	14.97
Addition of Fresh Equity	0.01	13.35	6.42

13.3 RETURN ON EQUITY

The opening equity for 2025-26 has been considered as the closing equity of the FY 2024-25. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 52 Calculation of Return on Equity for MLHEP for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	1288.04	1288.08	1332.58
Addition to GFA	0.04	44.50	76.38
Retirements	0.00	0.00	0.00
Closing GFA	1288.08	1332.58	1408.96
Average GFA	1288.06	1310.33	1370.77
Less: Average Grants	234.37	234.37	261.87
Net Average Assets (Not Funded by Grants)	1053.69	1075.96	1108.90
Normative Debt (70%)	737.58	753.17	776.23
Normative Equity (30%)	316.11	322.79	332.67
Rate of Return on Equity	14.00%	14.00%	14.00%
Return of Equity	44.25	45.19	46.57

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

13.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for FY 2023-24. Accordingly, closing loan of FY 2024-25 has been considered as the opening loan of 2025-26 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of

interest for FY 2024-25 has been considered for 2025-26 and 2026-27. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 53 Interest on Loan for MLHEP for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Normative Loan Opening	137.14	91.85	76.65
Addition of Loan	0.03	31.15	14.97
Repayment	45.31	46.35	46.73
Closing Loan	91.85	76.65	44.89
Average Loan	114.50	84.25	60.77
Weighted Average Rate of Interest	10.77%	10.77%	10.77%
Interest on Loan	12.33	9.07	6.54

MePGCL prays Hon'ble Commission to approve the Interest on loan for MLHEP project as tabulated above.

13.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

Table 54 Computation of Depreciation for FY 2026-27

Particular	Opening GFA	Addition to GFA	Deletion	Closing GFA	Average GFA	90% of Average GFA	Depreciation Rate	Depreciation for FY 2026-27
Land	23.90			23.90	23.90	21.51	0.00%	0.00
Buildings	146.67			146.67	146.67	132.00	3.34%	4.41
Hydraulic Works	622.94			622.94	622.94	560.65	5.28%	29.60
Other Civil Works	122.70			122.70	122.70	110.43	3.34%	3.69
Plant and Machinery	410.83	76.38		487.21	449.02	404.12	5.28%	21.34
Lines and Cables	4.58			4.58	4.58	4.12	5.28%	0.22
Vehicles	0.46			0.46	0.46	0.41	9.50%	0.04
Furniture	0.10			0.10	0.10	0.09	6.33%	0.01
Office Equipments	0.40			0.40	0.40	0.36	6.33%	0.02
Total	1332.58	76.38	0.00	1408.96	1370.77	1233.69		59.32
Rate of Depreciation								4.81%
90% of Average Grants								261.87
Depreciation on Grants								12.59
Net Depreciation								46.73

13.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon'ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

13.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2025 comes out to be Rs. 15.15%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 55 Interest on Working Capital for FY 2026-27 for MLHEP

Particular	Amount
Operation and Maintenance Exp.(1 Month)	3.70
Maintenance Spares	7.05
Receivables (2 Months)	24.94
Total Working Capital	35.69
Rate of Interest On Working Capital	15.15%
Interest on Working Capital	5.4

13.8 AGGREGATE REVENUE REQUIREMENT

Based on the computation of the individual components the Aggregate Revenue Requirement of MLHEP for fourth control period is tabulated below:

Table 56 Aggregate Revenue Requirement for MLHEP for FY 2026-27

Particular	Approved 2026-27	Revised Estimate 2026-27
Depreciation	47.82	46.73
Return on Equity	46.61	46.57
Interest on Loan	7.09	6.54
Operation and Maintenance Expenses	44.37	44.37
Interest on Working Capital	5.24	5.41
Total ARR	151.13	149.62
Less Non-Tariff Income	0.00	0.00
Add: True Up Gap/ (surplus) 2024-25	0.00	-13.55
Net ARR	151.13	136.07

MePGCL prays the Hon'ble Commission to approve the ARR for MLHEP as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

14. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2026-27 AND GENERATION TARIFF FOR FY 2026-27 FOR NEW UMTRU HYDRO ELECTRIC PROJECT

14.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2025 have been taken as the closing GFA of 2025-26. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 57 GFA for NUHEP for FY 2025-26 and FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	594.75	594.80	595.30
Addition of GFA	0.05	0.50	0.14
Deletion of GFA	0.00	0.00	0.00
Closing GFA	594.80	595.30	595.44
Average GFA	594.78	595.05	595.37

14.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in FY 2025-26 and FY 2026-27 for NUHEP has been tabulated below:

Table 58 Movement of Grants

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	594.75	594.80	595.30
Addition of GFA	0.05	0.50	0.14
Deletion of GFA	0.00	0.00	0.00
Closing GFA	594.80	595.30	595.44
Average GFA	594.78	595.05	595.37
Opening Grant	8.65	8.65	8.65
Add Cap Funded Through Grant	0.00	0.00	0

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Closing Grant	8.65	8.65	8.65
Average Grant	8.65	8.65	8.65
Addition of Fresh Normative Loan	0.04	0.35	0.10
Addition of Fresh Equity	0.02	0.15	0.04

14.3 RETURN ON EQUITY

The opening equity for 2025-26 has been considered as the closing equity of the FY 2024-25. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 59 Calculation off Return on Equity for NUHEP for FY 2025-26 and FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	594.75	594.80	595.30
Addition to GFA	0.05	0.50	0.14
Retirements	0.00	0.00	0.00
Closing GFA	594.80	595.30	595.44
Average GFA	594.78	595.05	595.37
Less: Average Grants	8.65	8.65	8.65
Net Average Assets (Not Funded by Grants)	586.13	586.40	586.72
Normative Debt (70%)	410.29	410.48	410.71
Normative Equity (30%)	175.84	175.92	176.02
Rate of Return on Equity	14.00%	14.00%	14.00%
Return of Equity	24.62	24.63	24.64

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

14.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for FY 2023-24. Accordingly, closing loan of FY 2024-25 has been considered as the opening loan of

2025-26 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2024-25 has been considered for 2025-26 and 2026-27. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 60 Interest on Loan for NUHEP for FY 2025-26 and FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Normative Loan Opening	228.53	202.88	177.51
Addition of Loan	0.04	0.35	0.10
Repayment	25.69	25.71	25.69
Closing Loan	202.88	177.51	151.92
Average Loan	215.70	190.20	164.72
Weighted Average Rate of Interest	10.39%	10.39%	10.39%
Interest on Loan	22.40	19.75	17.11

MePGCL prays Hon'ble Commission to approve the Interest on loan for NUHEP project as tabulated above.

14.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 61 Calculation of Depreciation for NUHEP for FY 2026-27

Particular	Opening GFA	Addition to GFA	Deletion	Closing GFA	Average GFA	90% of Average GFA	Depreciation Rate	Depreciation for FY 2025-26
Land	1.69			1.69	1.69	1.52	0.00%	0.00
Buildings	91.87			91.87	91.87	82.68	3.34%	2.76
Hydraulic Works	299.32			299.32	299.32	269.39	5.28%	14.22
Other Civil Works	32.49			32.49	32.49	29.24	3.34%	0.98
Plant and Machinery	163.98	0.14		164.12	164.05	147.65	5.28%	7.80
Lines and Cables	3.86			3.86	3.86	3.47	5.28%	0.18
Vehicles	1.83			1.83	1.83	1.65	9.50%	0.16
Furniture	0.10			0.10	0.10	0.09	6.33%	0.01
Office Equipments	0.10			0.10	0.10	0.09	6.33%	0.01
Total	595.24	0.14	0.00	595.38	595.31	535.78		26.11
Rate of Depreciation								4.87%
90% of Average Grants								8.65
Depreciation on Grants								0.42
Net Depreciation								25.69

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

14.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon'ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

14.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2025 comes out to be Rs. 15.15%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 62 Interest on Working Capital for FY 2026-27 for NUHEP

Particular	Amount 2026-27
Operation and Maintenance Exp.(1 Month)	1.40
Maintenance Spares	2.67
Receivables (2 Months)	14.51
Total Working Capital	18.58
Rate of Interest On Working Capital	15.15%
Interest on Working Capital	2.81

14.8 AGGREGATE REVENUE REQUIREMENT

Based on the computation of the individual components the Aggregate Revenue Requirement of NUHEP for fourth control period is tabulated below:

Table 63 Aggregate Revenue Requirement for NUHEP for FY 2026-27

Particular	Approved 2026-27	Revised Estimate 2026-27
Depreciation	25.71	25.69
Return on Equity	24.64	24.64
Interest on Loan	18.62	17.11
Operation and Maintenance Expenses	16.79	16.79
Interest on Working Capital	2.80	2.81
Total ARR	88.56	87.04
Less Non-Tariff Income	0.00	0.00
Add: True Up Gap/ (surplus) 2024-25	0.00	305.47
Net ARR	88.56	392.51

MePGCL prays the Hon'ble Commission to approve the ARR for NUHEP as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

15. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2026-27 FOR LAKROH SMALL HEP AND DETERMINATION OF TARIFF FOR 2026-27

15.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2025 have been taken as the closing GFA of 2024-25. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 64 GFA for LAKROH for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	22.86	23.09	24.23
Addition of GFA	0.64	1.14	0
Deletion of GFA	0.42	0.00	0.00
Closing GFA	23.09	24.23	24.23
Average GFA	22.97	23.66	24.23

15.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for LAKROH has been tabulated below:

Table 65 Movement of Grants

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	22.86	23.09	24.23
Addition of GFA	0.64	1.14	0
Deletion of GFA	0.42	0.00	0.00
Closing GFA	23.09	24.23	24.23
Average GFA	22.97	23.66	24.23
Opening Grant	11.75	11.75	11.75
Add Cap Funded Through Grant	0.00	0.00	0

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Closing Grant	11.75	11.75	11.75
Average Grant	11.75	11.75	11.75
Addition of Fresh Normative Loan	0.16	0.80	0.00
Addition of Fresh Equity	0.07	0.34	0.00

15.3 RETURN ON EQUITY

The opening equity for 2025-26 has been considered as the closing equity of the FY 2024-25. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 66 Calculation off Return on Equity for LAKROH for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	22.86	23.09	24.23
Addition to GFA	0.64	1.14	0.00
Retirements	0.42	0.00	0.00
Closing GFA	23.09	24.23	24.23
Average GFA	22.97	23.66	24.23
Less: Average Grants	11.75	11.75	11.75
Net Average Assets (Not Funded by Grants)	11.22	11.91	12.48
Normative Debt (70%)	7.86	8.33	8.73
Normative Equity (30%)	3.37	3.57	3.74
Rate of Return on Equity	14.00%	14.00%	14.00%
Return of Equity	0.47	0.50	0.52

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

15.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for

FY 2023-4. Accordingly, closing loan of FY 2024-25 has been considered as the opening loan of 2025-26 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2024-25 has been considered for 2025-26 and 2026-27. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 67 Interest on Loan for LAKROH for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Normative Loan Opening	3.18	2.85	3.12
Addition of Loan	0.16	0.80	0.00
Repayment	0.49	0.52	0.49
Closing Loan	2.85	3.12	2.63
Average Loan	3.01	2.98	2.87
Weighted Average Rate of Interest	5.64%	5.64%	5.64%
Interest on Loan	0.17	0.17	0.16

MePGCL prays Hon'ble Commission to approve the Interest on loan for LAKROH project as tabulated above.

15.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 68 Calculation of Depreciation for LAKROH for FY 2026-27

Particular	Opening GFA	Addition to GFA	Deletion	Closing GFA	Average GFA	90% of Average GFA	Depreciation Rate	Depreciation for FY 2026-27
Land	0.00			0.00	0.00	0.00	0.00%	0.00
Buildings	2.49			2.49	2.49	2.24	3.34%	0.07
Hydraulic Works	9.42			9.42	9.42	8.47	5.28%	0.45
Other Civil Works	2.28			2.28	2.28	2.05	3.34%	0.07
Plant and Machinery	8.60	0.00		8.60	8.60	7.74	5.28%	0.41
Lines and Cables	1.41			1.41	1.41	1.26	5.28%	0.07
Vehicles	0.00			0.00	0.00	0.00	9.50%	0.00
Furniture	0.01			0.01	0.01	0.01	6.33%	0.00
Office Equipments	0.02			0.02	0.02	0.01	6.33%	0.00
Total	24.23	0.00	0.00	24.23	24.23	21.80		1.07
Rate of Depreciation								4.90%
90% of Average Grants								11.75
Depreciation on Grants								0.58
Net Depreciation								0.49

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

15.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon'ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

15.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2025 comes out to be Rs. 15.15%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 69 Interest on Working Capital for FY 2026-27 for LAKROH

Particular	Amount 2026-27
Operation and Maintenance Exp.(1 Month)	0.05
Maintenance Spares	0.10
Receivables (2 Months)	0.31
Total Working Capital	0.47
Rate of Interest On Working Capital	15.15%
Interest on Working Capital	0.07

15.8 **AGGREGATE REVENUE REQUIREMENT**

Based on the computation of the individual components the Aggregate Revenue Requirement of LAKROH for fourth control period is tabulated below:

Table 70 Aggregate Revenue Requirement for LAKROH for FY 2026-27

Particular	Approved 2026-27	Revised Estimate 2026-27
Depreciation	0.56	0.49
Return on Equity	0.53	0.52
Interest on Loan	0.31	0.16
Operation and Maintenance Expenses	0.63	0.64
Interest on Working Capital	0.08	0.07
Total ARR	2.11	1.89
Less Non-Tariff Income	0.00	0.00
Add: True Up Gap/ (surplus) 2024-25	0.00	3.70
Net ARR	2.11	5.59

MePGCL prays the Hon'ble Commission to approve the ARR for LAKROH as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

16. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FY 2026-27 FOR OLD STATIONS (INCLUDING SONAPANI) AND DETERMINATION OF TARIFF FOR 2026-27

16.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2025 have been taken as the closing GFA of 2024-25. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 71 GFA for Old Stations for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	75.06	76.36	76.36
Addition of GFA	1.30	0.00	1070.1
Deletion of GFA	0.00	0.00	0.00
Closing GFA	76.36	76.36	1146.46
Average GFA	75.71	76.36	611.41

16.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for Old Stations has been tabulated below:

Table 72 Movement of Grants

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	75.06	76.36	76.36
Addition of GFA	1.30	0.00	1070.1
Deletion of GFA	0.00	0.00	0.00
Closing GFA	76.36	76.36	1146.46
Average GFA	75.71	76.36	611.41
Opening Grant	43.16	43.16	43.16
Add Cap Funded Through Grant	0.00	0.00	770.47

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Closing Grant	43.16	43.16	813.63
Average Grant	43.16	43.16	428.40
Addition of Fresh Normative Loan	0.91	0.00	209.74
Addition of Fresh Equity	0.39	0.00	89.89

16.3 RETURN ON EQUITY

The opening equity for 2025-26 has been considered as the closing equity of the FY 2024-25. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 73 Calculation off Return on Equity for Old Stations for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Opening GFA	75.06	76.36	76.36
Addition to GFA	1.30	0.00	1070.10
Retirements	0.00	0.00	0.00
Closing GFA	76.36	76.36	1146.46
Average GFA	75.71	76.36	611.41
Less: Average Grants	43.16	43.16	428.40
Net Average Assets (Not Funded by Grants)	32.55	33.20	183.02
Normative Debt (70%)	22.79	23.24	128.11
Normative Equity (30%)	9.77	9.96	54.91
Rate of Return on Equity	14.00%	14.00%	14.00%
Return of Equity	1.37	1.39	7.69

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

16.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for

FY 2023-24. Accordingly, closing loan of FY 2024-25 has been considered as the opening loan of 2025-26 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2024-25 has been considered for 2025-26 and 2026-27. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 74 Interest on Loan for Old Stations for FY 2026-27

Particular	Actual 2024-25	Estimate 2025-26	Revised Estimate 2026-27
Normative Loan Opening	0.59	0.00	0.00
Addition of Loan	0.91	0.00	209.74
Repayment	1.55	1.58	8.70
Closing Loan	0.00	0.00	201.04
Average Loan	0.30	0.00	100.52
Weighted Average Rate of Interest	4.57%	4.57%	4.57%
Interest on Loan	0.01	0.00	4.60

MePGCL prays Hon'ble Commission to approve the Interest on loan for OLD STATIONS project as tabulated above.

16.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 75 Calculation of Depreciation for Old Stations for FY 2026-27

Particular	Depreciation 2024-25	Depreciation 2025-26	Depreciation 2026-27
Opening GFA	75.06	76.36	76.36
Addition During the Year	1.30	0.00	1070.10
Retirement During the Year	0.00	0.00	0.00
Closing GFA	76.36	76.36	1146.46
Average GFA	75.71	76.36	611.41

Particular	Depreciation 2024-25	Depreciation 2025-26	Depreciation 2026-27
90% of Average GFA	68.14	68.73	550.27
Depreciation Rate	5.28%	5.28%	5.28%
Depreciation During the Year	3.60	3.63	29.05
90% of Average Grants in GFA	38.84	38.84	385.56
Depreciation on Grants	2.05	2.05	20.36
Net Depreciation for ARR	1.55	1.58	8.70

MePGCL prays the Hon’ble Commission to approve the depreciation as proposed above.

16.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon’ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

16.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

“In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. “

The SBI Advance Rate as on 01.04.2025 comes out to be Rs. 15.15%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 76 Interest on Working Capital for FY 2026-27 for Old Stations

Particular	Amount 2026-27
Operation and Maintenance Exp.(1 Month)	3.72
Maintenance Spares	7.10

Particular	Amount 2026-27
Receivables (2 Months)	11.50
Total Working Capital	22.32
Rate of Interest On Working Capital	15.15%
Interest on Working Capital	3.38

16.8 AGGREGATE REVENUE REQUIREMENT

Based on the computation of the individual components the Aggregate Revenue Requirement of Old Stations for fourth control period is tabulated below:

Table 77 Aggregate Revenue Requirement for Old Stations for FY 2026-27

Particular	Approved 2026-27	Revised Estimate 2026-27
Depreciation	7.74	8.70
Return on Equity	7.52	7.69
Interest on Loan	4.73	4.60
Operation and Maintenance Expenses	44.65	44.64
Interest on Working Capital	3.41	3.38
SLDC Charges	10.28	4.48
Total ARR	78.33	69.00
Less Non-Tariff Income	5.41	7.57
Add: True Up Gap/ (surplus) 2024-25	0.00	-379.57
Net ARR	72.92	-318.14

SLDC Charges have been considered as claimed by SLDC in their Tariff Petition for FY 2026-27

MePGCL prays the Hon'ble Commission to approve the ARR for Old Stations as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

17. CONSOLIDATED ARR FOR MEPGCL AS A WHOLE AND DETERMINATION OF TARIFF FOR 2026-27

Based on the calculation of the ARR for individual plants in the above chapters the consolidated ARR and Gap for MePGCL has a whole is tabulated below:

Table 78 Consolidated ARR for MePGCL for FY 2026-27

S No	Particular	MLHEP	NUHEP	Lakroh	Old Station
1	Depreciation	46.73	25.69	0.49	8.70
2	Return on Equity	46.57	24.64	0.52	7.69
3	O&M Expenses	6.54	17.11	0.16	4.60
4	Interest and Finance Charges	44.37	16.79	0.64	44.64
5	Interest on Working Capital	5.41	2.81	0.07	3.38
6	SLDC Charges	0.00	0.00	0.00	4.48
7	Prior Period Expenses	0.00	0.00	0.00	0.00
	Total AFC	149.62	87.04	1.89	73.49
8	Less Non- Tariff Income	0.00	0.00	0.00	7.57
	Net AFC	149.62	87.04	1.89	65.91
9	Gap for FY 2024-25	-13.55	305.47	3.70	-379.57
	Total ARR	136.07	392.51	5.59	-313.65
	Total ARR MePGCL	220.51			

Pension Liabilities Accrued IIIrd Instalment (2024-25)	67.34
Pension Liabilities Accrued IVth Instalment (2026-27)	67.34
Total ARR of MePGCL for 2026-27	355.19

Table 79 Calculation of Generation Tariff of Each Plant for FY 2026-27

Name of Station	Installed Capacity	Aux Cons.	Design Energy	Net Generation	AFC	50% Capacity Charge	ECR	Average Tariff
Umiam Stage I	36	1.20	116	114.61	37.06	18.53	1.62	3.20
Umiam Stage II	20	1.20	46	45.45	20.59	10.30	2.27	4.48
Umiam Stage III	60	1.20	139	137.33	61.77	30.89	2.25	4.44
Umiam Stage IV	60	1.50	207	203.90	61.77	30.89	1.51	2.98
Sonapani	1.5	1.20	5	4.94	1.54	0.77	1.56	3.09
MLHEP	126	1.50	486	478.71	129.72	64.86	1.35	2.67
NUHEP	40	1.50	235	231.48	41.18	20.59	0.89	1.75
Lakroh	1.5	1.50	11.01	10.84	1.54	0.77	0.71	1.40
	345		1245.01	1227.25	355.19			

MePGCL prays the Hon'ble Commission to approve the Total ARR and per Unit Cost of each project as projected above.

18. IN PRINCIPLE APPROVAL

IMPACT OF PAY REVISION

MePGCL would like to submit that the pay Committee of MeECL has approved the revision of pay scales with effect from 01.01.2025. As per the working of the pay revision committee the multiplication factor for pay revision has been arrived at 1.50. However, the pay revision has been actually implemented from August 2025 and hence the actual impact can be assessed only when the final audited accounts of FY 2025-26 are available. Accordingly, MePGCL seeks in principle approval of the Hon'ble Commission to allow the recovery of Impact of Pay revision and its subsequent impact on the Operation and Maintenance Expenses as and when the audited statement of accounts for FY 2025-26 is available and concrete impact of the same can be ascertained.

The Board of Directors of MeECL has approved the Pay Revision in the 165th Board Meeting held on 22nd August 2025.

The Board Resolution of the Meeting dated 22nd August 2025 is annexed to this Petition as **Annexure G.**

JUDGEMENT OF HON'BLE APTEL IN APPEAL NO. 367 OF 2017

MePGCL has filed an appeal before Hon'ble APTEL against the Order dated 30.03.2017 passed by this Hon'ble Commission in the matter of True up of 2013-14, provisional true up of 2014-15 and Tariff Determination for FY 2016-17. The issue raised in the Appeal was limited to the Consideration of Equity base.

The Hon'ble APTEL in the aforesaid Appeal has decided as under:

“47. Hence, we set aside the findings of the Commission in the impugned order on this issue and remand the issue back to the Commission for fresh consideration after taking into account the equity additions to the equity base of the appellant by reason of vesting of certain assets of erstwhile MeSEB in the appellant in pursuance to the transfer scheme formulated by the Government of Meghalaya.”

17. In view of the above quoted findings given by us in appeal No.46/2016, we set aside the findings of the Commission in the order dated 30.03.2016 also, which has been impugned in this appeal and remand the issue back to the Commission for fresh consideration after taking into account the equity additions to the equity base of the appellant by reason of vesting of certain assets of

erstwhile MeSEB in the appellant in pursuance to the transfer scheme formulated by the government of Meghalaya”

Thus the issue was remanded back to Hon’ble Commission for fresh consideration. However, MePGCL seeks liberty of the Hon’ble Commission to claim the impact of Hon’ble APTEL’s judgement through separate Petition instead of claiming the impact in the instant Petition.

19. LIST OF ANNEXURES

1. RESOLUTION OF BOARD
2. AUDITED STATEMENT OF ACCOUNT OF MEPGCL
3. AUDITED STATEMENT OF ACCOUNT OF MEECL
4. AUDITOR'S CERTIFICATE FOR CAPITALIZATION AND FUNDING PATTERN
5. AUDTIOR'S CERTIFICATE FOR CAPITALIZATION OF O&M EXPENSES
6. AUDITOR'S CERTIFICATE FOR LOAN PORTFOLIO
7. BOARD'S RESOLUTION FOR APPROVAL OF PAY REVISION AND COMPUTATION OF MULTIPLICATION FACTOR.