
**BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY
COMMISSION SHILLONG**

**PETITION
FOR**

**TRUE UP OF TRANSMISSION BUSINESS
FOR FY 2023-24**

&

**APPROVAL OF REVISED AGGREGATE REVENUE
REQUIREMENT AND TRANSMISSION TARIFF FOR
FY 2025-26**

FILED BY



**MEGHALAYA POWER TRANSMISSION 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

PETITION FOR APPROVAL OF TRUING-UP OF TRANSMISSION BUSINESS FOR THE FY 2023-24 AND REVISION OF AGGREGATE REVENUE REQUIREMENT AND TRANSMISSION TARIFF FOR THE MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED (MePTCL) FOR FY 2025-26 UNDER THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2014 AND UNDER SECTIONS 62 & 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

MEGHALATA POWER TRANSMISSION 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 re-structuring 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, MePGCL, MePDCL, MePTCL and MeECL as on 1st April 2012 were ascertained.
4. MePTCL began segregated commercial operations as an independent entity from 1st April 2013.
 5. Under Meghalaya State Electricity Regulatory Commission i.e. MSERC (Multi Year Tariff) Regulations, 2014, MePTCL filed MYT petition for Annual Revenue Requirement for the period of FY2021-22 to FY 2023-24. In respect to the said petition MYT order was issued by Hon'ble Commission on 25th March 2021.
 6. The instant Petition is being filed by MePTCL 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 2023-24 and Approval of Revised ARR for FY 2025-26.
 7. The Board of Directors of MePDCL 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 27/11/2024 is annexed to this Petition as **Annexure A**.
 8. The Petitioner, therefore humbly prays Hon'ble Commission to:
 - a. To approve the true up of expenses for FY 2023-24 and the principles and methodology adopted by MePTCL for various parameters.
 - b. To approve the Revised ARR for FY 2025-25
 - c. Allow addition/ modification of the business plan 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.

(SMT. SARALIN WAR)
SUEPRINTENDING ENGINEER
O/O DIRECTOR TRANSMISSION
MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED.

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Abbreviations

A&G	Administration & General
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal For Electricity
CAGR	Compound Annual Growth Rate
CD	Contract Demand
CoD	Commercial Operation Date
CERC	Central Electricity Regulatory Commission
CWIP	Capital Work In Progress
FY	Financial Year
GOM	Government of Meghalaya
GFA	Gross Fixed Assets
HT	High Tension
KV	Kilo Volt
KVA	Kilo Volt Amps
KVAh	Kilo Volt Ampere hour
KW	Kilo Watt
kWh	kilo Watt hour
MVA	Million Volt Amps
MU	Million Unit
MW	Mega Watt
MYT	Multi Year Tariff
MeECL	Meghalaya Energy Corporation Limited
MePGCL	Meghalaya Power Generation Corporation Limited
MePDCL	Meghalaya Power Distribution Corporation Limited
MePTCL	Meghalaya Power Transmission Corporation Limited
MSERC	Meghalaya State Electricity Regulatory Commission
ROE	Return on Equity
SLDC	State Load Dispatch Centre

1. BACKGROUND

1.1 Description of Parties

1.1.1 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.

1.1.2 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 2023-24

MePTCL would like to submit that the true up Petition for FY 2023-24 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, MePTCL has relied on the audited accounts of the FY 2023-24 for claiming most of the components of Aggregate Revenue Requirement. The detailed assumptions and methodology adopted by MePTCL for various components of the ARR are discussed in detail in the subsequent sections of this chapter.

2.1 GROSS FIXED ASSETS-

The Opening Gross Fixed Assets have been considered as the closing GFA allowed by the Hon'ble Commission in the true up order dated 18th October 2023 for the FY 2022-23. The subsequent addition and deletion during the year have been considered as per the audited statement of accounts.

2.2 TREATMENT OF GRANTS AND CONSUMER CONTRIBUTION

The Petitioner would like to submit that the methodology considered by the Hon'ble Commission in deciding the true up of FY 2022-23 has been considered for the treatment of the grants and consumer contribution and the fixed cost components such as depreciation, interest on loan and return on equity have been computed on the same methodology.

2.3 OPERATION AND MAINTENANCE EXPENSES

In line with the settled regulatory practice followed by Hon'ble Commission in previous years, the operation and maintenance expenses have been claimed as per the audited statement of account. Further, it is pertinent to note that the O&M expenses of common shared services are booked in the accounts of the holding company i.e., MeECL, hence the O&M expenses booked in the accounts of MeECL have been apportioned equally among the three companies.

Further, the instalment of the terminal benefits as allowed by the Hon'ble Commission in the MYT order for fourth control period has been included in the true up of FY 2023-24.

2.4 NON-TARIFF INCOME

The revenue from sale of surplus power/ swapping arrangements has been considered as per the audited statement of accounts. Similarly, the Non-Tariff Income has also been considered as per the audited statement of account with following exclusions:

- i. ***Amortization of grants*** shown in the audited accounts in non-tariff income has been excluded from the claim as the entire movement in grants has been considered at the time of calculation of return on equity and depreciation. Since the amortization of grants is not an ***actual income and has been accounted in the statement of accounts for the purpose of the complying with the relevant accounting standards*** issued by ICAI hence the same is not in the nature of revenue.

3. TRUING UP OF EXPENSES OF FY 2023-24

3.1 BACKGROUND

Hon'ble Commission vide order dated 25.03.2021 in Case No. 03 of 2021 has allowed the Multi Year ARR for MePTCL including the ARR of FY 2023-24. The ARR for the FY 2023-24 was further revised vide order dated 30.03.2023 in Case no. 26 of 2022- Aggregate Revenue Requirement and Transmission Tariff for FY 2023-24. Since, the Annual Statement of Accounts for FY 2023-24 have been audited and hence in terms of the provisions of Regulation 11 of the 2014 Tariff Regulations, MePTCL is filing the true up Petition for FY 2023-24.

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 15th September 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 form 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;

3.3 PHYSICAL AND OPERATIONAL PERFORMANCE

MePTCL would like to submit that there has been substantial growth in terms of the infrastructure and there has been substantial increase the infrastructure which shows MePTCL's commitment to improve the performance and cater to the growing demand of the consumers in an efficient manner.

The growth of infrastructure of the MePTCL is tabulated below:

Table 1 Growth In Infrastructure of MePTCL

Substation in MVA		
	FY 2022-23	FY 2023-24
400 KV	630	630
220 KV	520	1160
132 KV	640	840
Total	1790	2630

Lines		
	FY 2022-23	FY 2023-24
400 KV	4.648	4.648
220 KV	226.84	365.16
132 KV S/C	538.72	538.72
132 KV D/C	708.844	708.844
132 KV M/C	15.96	15.96
Total	1476.112	1624.33

3.4 TRANSMISSION SYSTEM AVAILABILITY FACTOR AND TRANSMISSION LOSSES

MePTCL would like to submit that the Transmission System Availability Factor and Transmission loss for past five years including the FY 2023-24 is tabulated below:

Table 2 Transmission System Availability and Transmission Losses

FY	2023-24
Transmission System Availability (%)	98.70
Transmission Loss (%)	2.82

MePTCL requests Hon'ble Commission to approve the Transmission System Availability Factor of 98.70% and Transmission Loss of 2.82% for FY 2023-24.

4. COMPUTATION OF COMPONENTS OF AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24

4.1 COMPONENTS OF TARIFF

The Regulation 65 of the MYT Regulations, 2014, provides the cost components of MePTCL. The relevant regulation is reproduced below for ready reference:

"65 Components of tariff

Annual Transmission Charges for each year of the Control Period:

65.1 The Annual Transmission Charges for each financial year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the Transmission Licensee for the respective financial year of the Control Period, a reduced by the amount of Non-Tariff Income, income from Other Business and short-term transmission charges of the previous year, as approved by the Commission: Provided that in case of competitively awarded transmission system projects in pursuance of Section 63 of the Act and in accordance with guidelines for competitive bidding for transmission, the annual transmission charges shall be as per the annual Transmission Service Charges (TSC) quoted by such competitively awarded transmission projects.

65.2 The Annual Transmission Charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement made by the Transmission Licensee in accordance with Chapter-2 of these Regulations.

65.3 The Annual Expenditure of the Transmission Licensee shall comprise of the following:

- 1) Return on equity as may be allowed;*
- 2) Interest on loan capital;*
- 3) Depreciation as may be allowed;*
- 4) Interest on working capital;*
- 5) Operation and maintenance expenses;*
- 6) Taxes on Income*
- 7) Annual License fee*

65.4 The Annual Transmission Charge of the Transmission Licensee shall be determined after deducting the following components from the Annual Expenditure as determined above:

- 1) Income from surcharge and additional surcharge for Open Access Consumers if any*
- 2) Transmission/wheeling charges recovered from Open Access Consumers, if any*
- 3) Authorized portion of Income/ Revenue from other business engaged in by the Licensee for optimum utilization of assets, if any."*

The detailed methodology of Computation of individual component has been detailed out in Chapter 2

The calculation of the individual components of ARR is discussed in this chapter.

4.2 GROSS FIXED ASSETS

MePTCL has considered the opening GFA as considered by the Hon'ble Commission in the order dated 18.10.2024 in Case No. 35 of 2024 for Truing Up of Expenses for FY 2022-23. The addition and deletion have been considered as per actuals as per the audited statement of accounts.

Table 3 Gross Fixed Assets for FY 2023-24

Particular	Amount in Rs. Cr.
Opening GFA	545.41
Addition During the Year	112.13
Deletion During the Year	0.00
Closing GFA	657.54

4.3 GFA AND GRANTS

The movement of grants and GFA has been considered in line with closing figures approved by Hon'ble Commission in order dated 18.10.2024 in Case No. 35 of 2023.

Table 4 Capital Structuring for 2023-24

S No	Funding Pattern	FY 2022-23 Approved	FY 2023-24 Claimed
1	Opening GFA	508.47	545.41
2	Addition to GFA	36.96	112.13
3	Deletion from GFA	0.02	0.00
4	Closing GFA	545.41	657.54
5	Average GFA	526.94	601.47
6	Opening Grants	89.26	121.76
7	Add-cap Funded through Grant	32.5	107.40
8	Closing Grant	121.76	229.16
9	Average Grants	105.51	175.46
10	Addition of Fresh Loan	3.122	3.31
11	Addition of Fresh Equity	1.34	1.42

4.4 RETURN ON EQUITY

MePTCL would like to submit that the return on equity has been calculated in line with the provisions of Regulation 27 of the 2014 Tariff Regulations and the capital structure presented in the Table 4 above

The calculation of Return on Equity is tabulated below:

Table 5 Return on Equity

S No	Particular	FY 2022-23 Approved	FY 2023-24 Claimed
1	Opening GFA	508.47	545.41
2	Addition during the year	36.96	112.13
3	Deletion during the year	0.02	0.00
4	Closing GFA	545.41	657.54
5	Average GFA	526.94	601.47
6	Average Grants	105.51	175.46
7	Net Average Assets Not Funded through Grants	421.43	426.01
8	Debt @70%	295.001	298.21
9	Equity @30%	126.429	127.80
10	Rate of Return on Equity	14%	14%
11	Return on Equity	17.70	17.89

The detailed calculation of return on equity is provided in the Excel model annexed to this Petition.

4.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 6 Computation of Weighted Average Rate of Interest

Name of Loan	Opening Loan	Repayment	Closing Loan	Average Loan	Interest Accrued During 2023-24	ROI
REC Killing - Byrnihat Loan	5.87	1.34	4.33	5.20	0.54	10.29%

Table 7 Calculation of Interest on Loan

S No	Particular	FY 2022-23 Allowed	FY 2023-24 Claimed
1	Opening Net Normative Loan	24.1	7.97
2	Addition to Loan	3.12	3.31
3	Repayment	19.25	19.52
4	Net Normative Closing Loan	7.972	-8.24
5	Average Loan	16.036	0.00
6	Weighted Average Rate of Interest	9%	10.29%
7	Interest on Loan	1.44	0

4.6 DEPRECIATION

The depreciation has been computed as per the methodology adopted by Hon'ble Commission in the previous true ups. Further the opening balance of GFA has been considered as per the GFA approved by Hon'ble Commission in the order dated 21/11/2023 in Case No. 01 of 2023 in true up of 2021-22. The calculation of depreciation is tabulated below:

Table 8 Calculation of Depreciation of 2023-24

S No	Asset Description	Value as on 31.03.2023	Addition During 2023-24	Retirement During 2023-24	Closing GFA	Average GFA	90% of the Average GFA	Rate of Depreciation	Depreciation During the Year
1	Land	12.14	0.00	0.00	12.14	12.14	10.93	0.00%	0.00
2	Buildings	18.41	0.64	0.00	19.05	18.73	16.86	3.34%	0.56
3	Plant and equipment	169.99	75.46	0.00	245.45	207.72	186.94	5.28%	9.87
4	Furniture and Fixtures	0.98	0.00	0.00	0.98	0.98	0.88	6.33%	0.06
5	Vehicles	0.22	0.00	0.00	0.22	0.22	0.20	9.50%	0.02
6	Office Equipments	7.31	5.32	0.00	12.64	9.97	8.98	6.33%	0.57
7	Hydraulic Works	0.09	0.00	0.00	0.09	0.09	0.08	5.28%	0.00
8	Other Civil Works	12.92	0.04	0.00	12.96	12.94	11.65	3.34%	0.39
9	Lines and Cable Works	323.36	30.66	0.00	354.02	338.69	304.82	5.28%	16.09
	Total	545.41	112.13	0.00	657.53	601.47	541.32		27.56
	Rate of Depreciation								5.09%
	90% of Average Grants in GFA								157.91
	Depreciation on Grants								8.04
	Net Depreciation								19.52

MePTCL requests Hon'ble Commission to allow the depreciation of Rs.19.52 Cr as for FY 2023-24.

The detailed calculation of the depreciation is provided in the excel model annexed to this Petition.

4.7 OPERATION AND MAINTENANCE EXPENSES

As per the settled practice followed by Hon'ble Commission in past the operation and maintenance expenses have been claimed as per the audited accounts of FY 2023-24. The details of operation and maintenance expenses are tabulated below:

a. Employee Expenses

Employee expenses have been claimed as per the audited accounts. Further, the amount pertaining to the Pension and Gratuity Expenses booked in accounts have not been considered in line with the methodology adopted by the Hon'ble Commission in Order dated 18.10.2024 in Case No. 35 of 2023.

Table 9 Employee Expenses (Rs. Cr.) for FY 2023-24

Particular	Actual as Per Accounts
Salaries and Wages	38.01
Gratuity Expenses	0.00
Leave Encashment Expenses	0.00
Pension Expenses	0.00
Contribution to Provident Fund	0.23
Apportionment of Employee Benefit of Holding Company	0.00
	38.24
1/3rd of the Employee Expenses of MeECL	11.05
Total Employee Expenses	49.29

MePTCL humbly prays Hon'ble Commission to allow the employee expenses of Rs. 49.29 Cr for FY 2023-24.

b. R&M Expenses

R&M expenses have been claimed as per the audited statement of accounts. The MeECL expenses have been apportioned in the three companies in equal proportion.

Table 10 R&M Expenses (Rs. Cr.) for FY 2023-24

Particular	Actual as Per Audited Accounts
R&M Expenses Buildings	0.14
R&M Expenses Plant and Machinery	1.72
R&M Civil Works	0.14
R&M Lines and Cables	6.50
R&M Vehicles	0.01
R&M Furniture and Fixtures	0.00
R&M Office Equipments	0.62
Total R&M Expenses	9.14
1/3 of R&M Expenses of MeECL	0.16
Total R&M Expenses	9.30

MePTCL requests Hon'ble Commission to allow the R&M expenses of Rs. 9.30 Cr for FY 2023-24.

c. A&G Expenses

In line with the claims of the employee expenses and R&M expenses the A&G expenses have also been claimed as per the statement of accounts. The A&G expenses of MeECL has been apportioned in the three companies in equal proportion.

MePTCL would like to further submits that the A&G expenses of MeECL also includes the penalty of Rs.0.0009 Cr which has been excluded from the claim as a principle of honesty.

Table 11 A&G expenses (Rs. Cr.) for FY 2023-24

Particular	Actual As per Accounts
Insurance Charges	0.75
Rent, Rates and Taxes	0.00
Telegram, Postage, Telegraph and Telex charges	0.08
Training, conveyance and vehicle running expenses	1.70
Printing and stationery expenses	0.05
Auditors' remuneration	0.04
Books & Periodicals	0.00
Advertisement charges	0.02
Technical Fees	0.01
Legal and professional charges	0.30
Meghalaya State Electricity Regulatory Commission (MSERC) Fees	0.07
CERC Fees	0.17

Particular	Actual As per Accounts
NERPC Fees	0.31
Bank Charges	0.00
Miscellaneous expenses	0.03
Electricity Charges	0.87
GST Expenses	0.01
ROC Charges	0.05
Total A&G Expenses	4.46
1/3rd of A&G Expenses of MeECL	0.79
Total A&G Expenses	5.25

MePTCL request Hon'ble Commission to allow the A&G expenses of Rs.5.25 Cr for FY 2023-24.

4.8 INTEREST ON WORKING CAPITAL

Regulation 34.3 of the 2014 Tariff Regulation details out the methodology of the computation of the Interest on Working Capital for Transmission business. As per the Regulation 34.3:

34.2 Transmission:

"(i) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

Operation and maintenance expenses for one month; plus

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

Receivables equivalent to two (2) month of transmission charges calculated on target availability level;

Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed."

In line with the provisions of the above Regulations MePTCL has computed the interest on working capital which is tabulated below. The State Bank of India Advance Rate as on 01.04.2023 has been considered for the purpose of computation of the interest on working capital.

Table 12 Computation of Interest on Working Capital (Rs. Cr.) for FY 2023-24

Particular	Amount
Operation and Maintenance Exp for 1 Months	5.32
1% Maintenance spares on opening GFA escalated at 6%	5.78
Receivables for 2 months of ATC	16.93
Total Working Capital Requirement	28.03
Rate of Interest on Working Capital	14.85%
Interest on Working Capital	4.16

MePTCL humbly requests Hon'ble Commission to allow the interest on working capital as Rs. 4.16 Cr. for the FY 2023-24.

4.9 NON-TARIFF INCOME

The Non-tariff income has been claimed as per the statement of accounts with certain exclusions as explained out in Chapter 2

The details of the Non-Tariff Income for FY 2023-24 is tabulated below:

Table 13 Details of Non-Tariff Income (Rs. Cr.) for FY 2023-24

Particular	Amount
Interest Income from Banks	0.38
Interest Income from Banks Others	0.00
Scrap Sales	0.00
AMC Charges	0.48
Rental and Hiring Income	0.14
Discount Received	0.00
Fees and Penalties	0.12
Sale of Tender Forms	0.04
Misc. Receipts	1.20
Total	2.36
Non-Tariff Income of MeECL (1/3)	5.41
Grant Total	7.77

MePTCL would humbly requests Hon'ble Commission to allow the Non-Tariff Income as Rs.7.77 Cr for FY 2023-24.

4.10 AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24

Based on the computation of various components of ARR as detailed out in previous paragraphs the ARR for 2023-24 is estimated as under:

Table 14 Aggregate Revenue Requirement for FY 2023-24

Particulars	Approved by Commission for 2023-24	Actual (True UP)
Return On Equity	15.67	17.89
Depreciation	28.86	19.52
Interest on Loan	5.15	0.00
Interest on Working Capital	3.28	4.16
Operation and Maintenance Expenses	60.04	63.84
SLDC Charges	1.54	1.54
Total ARR	114.54	106.96
Non-Tariff Income	19.08	5.41
Net ARR	95.46	101.55
Less SLDC ARR	3.08	3.08
ARR for Transmission	92.38	98.47
Add: Revenue Gap for FY 2020-21 True Up	18.61	18.61
Net ARR for FY 2023-24	110.96	117.08

MePTCL requests Hon'ble Commission to approve the ARR for FY 2023-24 as Rs.117.08 Cr.

4.11 REVENUE FROM TRANSMISSION BUSINESS

As per the settled methodology adopted by the Hon'ble Commission the Revenue from Sale of Power has been considered as per the audited statement of accounts.

Table 15 Details of Revenue From Transmission Business for FY 2023-24

Particular	Amount
Wheeling Charges	110.99
SLDC Charges from MePGCL	2.04
SLDC Charges from MePTCL	1.54
Sub-Total	114.57
Less: SLDC Charges from MePTCL	1.54
	113.03
STU Charges and Open Access Charges	19.92
SLDC Charges	1.56
Total Revenue	134.51

MePTCL requests Hon'ble Commission to approve the revenue for FY 2023-24 as Rs. 134.51 Cr.

4.12 REVENUE GAP FOR FY 2023-24

Based on the ARR and Revenue presented above the Revenue Gap for FY 2023-24 is presented below:

Table 16 Revenue Gap for FY 2023-24

Particular	Amount (Rs. Cr.)
Aggregate Revenue Requirement	117.08
Revenue from Sale of Power	134.51
Stand Alone Gap for FY 2023-24	-17.43
Recovery of IInd Instalment of Accrued Terminal Liability	36.05
Total Gap/ Surplus	18.62

MePTCL requests Hon'ble Commission to approve the revenue gap of Rs. 18.62 Cr for FY 2023-24.

5. DETERMINATION OF REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26

MePTCL would like to submit that the Aggregate Revenue Requirement for the fourth control period i.e., 2024-25 to 2026-27 was approved by Hon'ble Commission vide order dated 24.10.2024 in Case No. 31& 33 of 2023. In the instant Petition MePTCL, based on the actual capitalization of assets and grants prays the Hon'ble Commission to revise the ARR for FY 2025-26 and determine the Transmission Tariff for FY 2025-26.

5.1 REGULATORY BACKGROUND FOR MYT ARR PETITION

Regulation 6) (b) of the MSERC (Multi Year Tariff) Regulations, 2014 lays down the general guiding principles for revision of tariff and the provisions of the said Regulations are reproduced below for reference:

"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 true 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.

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5.2 GFA AND MOVEMENT OF GRANTS

Hon'ble Commission vide order dated 18.10.2024 approved the truing up of expenditure for FY 2022-23 for transmission business of MePTCL. Hon'ble Commission vide the aforesaid order has approved the methodology of movement of grants and GFA, the same methodology has been used for revision of ARR of FY 2025-26 also.

Gross Fixed assets for the control period has been calculated by taking the closing GFA as on 2022-23 as approved by Hon'ble Commission in order dated 18.10.2024 in Case No.2 of 2023. The movement of GFA during the control period is tabulated below:

Table 17 Movement of GFA

S No.	Particular	FY 2023-24 (Approved)	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
1	Opening GFA	545.41	545.41	657.54	814.12
2	Addition	96.82	112.13	156.58	123.27
3	Deletion	0	0.00	0.00	0
4	Closing GFA	642.23	657.54	814.12	937.39
5	Average GFA	593.82	601.47	735.83	875.75

Table 18 Movement of Grants and Loan and Equity

S No.	Particular	FY 2023-24 (Approved)	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
1	Opening GFA	545.41	545.41	657.54	814.12
2	Addition	96.82	112.1	156.58	123.27
3	Deletion	0.00	0.00	0.00	0.00
4	Closing GFA	642.23	657.54	814.12	937.39
5	Average GFA	593.82	601.47	735.83	875.75
6	Opening Grant	121.76	121.76	229.16	376.28
7	Add Cap Funded Through Grant	96.32	107.40	147.12	117.97
8	Closing Grants	218.08	229.16	376.28	494.25
9	Average Grants	169.92	175.46	302.72	435.27
10	Addition of Fresh Loan	0.35	3.31	6.622	3.71
11	Addition of Fresh Equity	0.15	1.42	2.838	1.59

MePTCL requests Hon'ble Commission to approve the capital structure of MePTCL as above.

5.3 RETURN ON EQUITY

MePTCL would like to submit that based on the table of movement of grants depicted above the Equity in opening and closing GFA has been considered for the purpose of calculation of Return on Equity. The computation of Return on Equity for FY 2025-26 is tabulated below:

Table 19 Calculation of Return on Equity for FY 2025-26

S No.	Particular	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
1	Opening GFA	545.41	657.54	814.12
2	Addition	112.13	156.58	123.27
3	Deletion	0.00	0	0
4	Closing GFA	657.54	814.12	937.39
5	Average GFA	601.47	735.83	875.75
6	Average Grants	175.46	302.72	435.27
7	Net Assets Non funded through Grants	426.01	433.10	440.48
8	Debt Component @70% of 7	298.21	303.17	308.34
9	Equity Component @30% of 7	127.80	129.93	132.15
10	Rate of Return on Equity	0.14	14%	14%
11	Return on Equity	17.89	18.19	18.50

The detailed calculation of Return on Equity has been provided in the excel model submitted along with the Petition.

5.4 INTEREST ON LOAN

The interest on loan has been computed in line with the methodology adopted by the Hon'ble Commission in the True Up of FY 2022-23 and Tariff Order for FY 2024-25

The weighted average rate of interest has been considered as the weighted average rate of interest of FY 2023-24 (True Up) which is subject to change based on actuals at the time of truing up of subject year i.e., FY 2025-26.

The calculation of interest on loan is tabulated below:

Table 20 Calculation of Interest on Loan for FY 2025-26

S No.	Particular	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
1	Opening Normative Loan	7.97	0.00	0.00
2	Addition to Loan	3.31	6.622	3.71
3	Repayment	19.52	19.85	20.19

S No.	Particular	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
4	Net Normative Loan Closing	-8.24	-13.23	-16.48
5	Average Loan	0.00	0.00	0.00
6	Weighted Average Rate of Interest	10.29%	10.29%	10.29%
7	Interest on Loan	0.00	0.00	0.00

5.5 DEPRECIATION

MePTCL would like to submit that the depreciation for FY 2025-26 has been projected based on the capitalization and movement of grants approved by the Hon'ble Commission for FY 2022-23 and subsequent claim in the True Up part of the instant Petition.

The rate of depreciation has been considered as the weighted average rate of depreciation of FY 2023-24 True Up. Since the asset wise breakup of GFA cannot be projected at this stage, MePTCL craves leave to submit the actual breakup of GFA and weighted average rate of depreciation during the truing up exercise.

The calculation of depreciation for the control period is tabulated below:

Table 21 Calculation of Depreciation for FY 2025-26

S No.	Particular	FY 2023-24 (True Up)	FY 2024-25	FY 2025-26
1	Opening GFA	545.41	657.53	814.12
2	Closing GFA	657.53	814.12	937.39
3	Average GFA	601.47	735.82	875.75
4	90% of GFA	541.32	662.24	788.18
5	Rate of Depreciation	5.09%	5.09%	5.09%
	Depreciation	27.56	33.72	40.13
6	Average Grants in GFA	175.46	302.72	435.27
7	90% of Average Grants	157.91	272.45	391.74
8	Less: Depreciation on Average Grants	8.04	13.87	19.95
9	Net Depreciation	19.52	19.85	20.19

5.6 OPERATION AND MAINTENANCE EXPENSES

MePTCL would like to submit that the it has not claiming any variation in O&M expenses as of now and has taken the O&M expenses approved by the Hon'ble Commission in order dated 24.10.2024 in Case No. 31 and 33 of 2023.

5.7 NON-TARIFF INCOME

MePTCL would like to submit that the it has not claiming any variation in Non-Tariff Income as of now and has taken the same as approved by the Hon'ble Commission in order dated 24.10.2024 in Case No. 31 and 33 of 2023.

5.8 INTEREST ON WORKING CAPITAL.

Interest on working capital has been claimed on the basis of the provisions of the MSERC (Multi Year Tariff) Regulations, 2014. The change in working capital and interest thereof is only arising out of the changes in ROE, Interest on Loan and Depreciation. The computation of Interest on Working Capital is tabulated below:

Table 22 Interest on Working Capital for FY 2025-26

S No	Particular	FY 2025-26
1	O&M Expenses (1 Month)	5.71
2	Maintenance Spares	8.63
3	Receivables	18.33
4	Total Working Capital Requirement	32.67
5	Rate of Interest on Working Capital	14.85%
6	Interest on Working Capital	4.85

5.9 AGGREGATE REVENUE REQUIREMENT

Based on the explanation and the calculation of individual components in above paragraphs the ARR for the fourth control period is estimated as under:

Table 23 Revised ARR Projection for FY 2025-26

S No	Particulars	FY 2025-26 (Approved)	FY 2025-26 (Revised)
1	Return On Equity	18.32	18.50
2	Depreciation	19.92	20.19
3	Interest on Loan	0	0.00
4	Interest on Working Capital	4.53	4.85
5	Operation and Maintenance	68.51	68.51

S No	Particulars	FY 2025-26 (Approved)	FY 2025-26 (Revised)
	Expenses		
6	SLDC Charges	5.66	5.66
7	Total ARR	116.94	117.71
8	Non-Tariff Income	7.71	7.71
9	Net ARR	109.23	110.00
	Gap In FY 2023-24		-18.62
	IIIrd Instalment of Accrued Liability	36.05	36.05
11	ARR for Transmission	145.28	128.62

Since, the ARR of SLDC was approved separately by Hon'ble Commission vide order dated 24.10.2024 the same has been considered. The SLDC ARR will be revised on truing up of FY 2024-25 and FY 2025-26 respectively.

5.10 TRANSMISSION TARIFF FOR FY 2025-26

Based on the Aggregate Revenue Requirement, the petitioner has computed the transmission tariff as below:

Table 24 Computation of Transmission Tariff and Open Access Charges

S No	Particular	FY 2024-25
1	Annual Transmission Charges	128.62
2	Average Load	258.12
3	Transmission Tariff (Rs./MW/Day)	13651.67
4	Energy Transfer	2168.43
5	Transmission Tariff (Paise/Unit)	59.31

*The Energy Transfer Values for FY 2025-26 refers to sale of power by MePDCL within the state and has been taken as claimed by MePDCL in its Petition for FY 2025-26.

The petitioner prays to the Hon'ble Commission to kindly allow the tariff for FY 2024-25 as computed above.

6. AFFIDAVIT

**BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY
REGULATORY COMMISSION
SHILLONG, MEGHALAYA**

Case No. /2024

In the Matter of:

PETITION FOR APPROVAL OF TRUING-UP OF TRANSMISSION BUSINESS FOR THE FY 2023-24 AND REVISION OF AGGREGATE REVENUE REQUIREMENT AND TRANSMISSION TARIFF FOR THE MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED (MePTCL) FOR FY 2025-26 UNDER THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2014 AND UNDER SECTIONS 62 & 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED (MePTCL)

...Petitioner

AFFIDAVIT

I, Smti Saralin War, d/o K. Jyrwa, aged about 54 years, the Superintending Engineer (Elect-II), of Meghalaya Power Transmission Corporation Limited, Shillong, having its registered office at MeECL Headquarters, Lumjingshai, Short Round Road, Shillong – 793001, do hereby solemnly affirm and state as under:

1. That I am the Superintending Engineer (Elect-II), of Meghalaya Power Transmission Corporation Limited, Shillong, and in my official capacity I am conversant with the facts and records of the case and competent and duly authorized to swear this instant affidavit on behalf of Petitioner's company Meghalaya Power Transmission Corporation Limited.

2. That the statement made in this Affidavit are true to the best of my knowledge and belief which are borne out of the petitioner's company official record maintained in the ordinary course of business and I believe them to be true and the rest are my humble submission before this Hon'ble Commission.
3. And I sign this Affidavit on this the 28th day of November, 2024 at Shillong.

DEPONENT

VERIFICATION:

Verified by me, Smti Saralin War, d/o K. Jyrwa , aged about 54 years, the Superintending Engineer (Elect-II), of Meghalaya Power Transmission Corporation Limited, Shillong, on this 28th day of November, 2024 at Shillong that the content of the above affidavit is true and correct to the best of my knowledge and belief and information received and derived from the official records of the Petitioner's Company Meghalaya Power Transmission Corporation Limited and that nothing is false and nothing material has been concealed therefrom.

DEPONENT

7. LIST OF ANNEXURES

1. RESOLUTION OF BOARD
2. AUDITED STATEMENT OF ACCOUNT OF MEPTCL
3. AUDITED STATEMENT OF ACCOUNT OF MEECL