MSERC

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (MSERC)

Tariff Order

For

True up for FY 2013-14,

Provisional True up for FY 2014-15 &

Revised Generation Tariff

For

FY 2016-17

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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
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CoS	Cost of Supply
CWIP	Capital Work In Progress
DE	Debt Equity
EHT	Extra High Tension
NER	North Eastern Region
FY	Financial Year
GFA	Gross Fixed Assets
HT	High Tension
KV	Kilo Volt
KVA	Kilo Volt Amps
KW	Kilo Watt
kWh	kilo Watt hour
LNG	Liquefied Natural Gas
LT	Low Tension
MVA	Million Volt Amps
MW	Mega Watt
PLR	Prime Lending Rate
MePGCL	Meghalaya Power Generation Corporation Limited
MePDCL	Meghalaya Power Distribution Corporation Limited
MePTCL	Meghalaya Power Transmission Corporation Limited
CoD	Commercial Operation Date
MSERC	Meghalaya Electricity Regulatory Commission
SLDC	State Load Despatch Centre

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

1st Floor (Front Block Left Wing), New Administrative Building

Lower Lachumiere, Shillong – 793001

East Khasi Hills District, Meghalaya

In the matter of:

Approval of Truing up of Annual Revenue Requirement for FY 2013-14, Provisional True up of FY 2014-15 and Determination of Generation Tariff for FY 2016-17 for the Meghalaya Power Generation Corporation Limited (MePGCL) for old plants and Sonapani under the MSERC (Multi Year Tariff) Regulations, 2014.

AND

Meghalaya Power Generation Corporation Limited Petitioner
(herein after referred to as MePGCL)

Coram

Anand Kumar, Chairman

ORDER: 30.03.2016

1. The Meghalaya Power Generation Corporation Limited (hereinafter referred to as MePGCL) is a generating company engaged in the business of generation of electricity in the state of Meghalaya.
2. MePGCL has filed the petition on 05.02.2016 under the MSERC (Multi Year Tariff) Regulations 2014 and under section 62 read with section 86 of the Electricity Act 2003. Section 64(1) read with Section 61 and 62 of the Electricity Act, 2003 (hereinafter referred to as "Act") requires Generation Company to file an application for determination of tariff before the Appropriate Commission in such manner and along with such fee as may be specified by the Appropriate Commission through Regulations.
3. In compliance with Electricity Act 2003 the Commission had notified MSERC (Conduct of Business) Regulations 2007 and MSERC (Multi Year Tariff) Regulations 2014. These regulations cover the procedure for filing the tariff application, methodology for determining the tariff and recovery of charges as approved by the Commission from the beneficiaries. However, for True up of period prior to 2014, Tariff Regulation 2011 shall be applicable.
4. In exercise of the powers vested under section 62(1) read with section 62(3) and

section 64 (3)(a) of the Electricity Act 2003 and MSERC MYT Regulations, 2014 (hereinafter referred to as Tariff Regulations), Tariff Regulations 2011 (for the purpose of True up of period prior to FY 2014) and other enabling provisions in this behalf the Commission issues this order for approval of the ARR and determination of Generation Tariff for FY 2016-17 for Generation of Electricity in the state of Meghalaya.

5. Tariff Regulations specify the Generation licensee shall file ARR and Tariff Petition in all aspects along with requisite fee as specified in Commission's fees, fines and charges regulations on or before 30th November of the preceding year. The MePGCL has filed the ARR and Tariff Petition for the FY 2016-17 on 05.02.2016. The filing is delayed and therefore the Commission admitted the petition and started the proceedings immediately.

6. Regulation 21 of the Tariff Regulations, 2014 provides for giving adequate opportunity to all stakeholders and general public for making suggestions/ objections on the Tariff Petition as mandated under section 64(3) of the Electricity Act 2003. Accordingly the Commission directed MePGCL in its Order dated 10.02.2016 to publish the ARR for FY 2016-17 and Tariff Petition FY 2016-17 in an abridged form as public notice in news papers having wide circulation in the state inviting suggestions/objections on the Tariff Petition.

7. Accordingly, MePGCL has published the Tariff Petition in the abridged form as public notice in various news papers and the Tariff petition was also placed on the website of MePGCL. The last date of submission of suggestions/objections was fixed as 15.03.2016. However, the Commission has considered all the objections received up to the date of public hearing i.e., 21.03.2016.

8. The Commission in order to ensure transparency in the process of Tariff determination and for providing proper opportunity to all stakeholders and general public for making suggestions/objections on the Tariff petition and for convenience of the consumers and general public across the state, decided to hold the public hearing at the headquarters of the State. Accordingly the Commission held public hearing at Shillong on 21.03.2016.

9. The proposal of MePGCL was also placed before the State Advisory Committee in its meeting held on 16.03.2016 and various aspects of the Petition were discussed by the committee. The Commission took the advise of the State Advisory Committee on

the ARR and Tariff Petition of MePGCL for the control period FY 2016-17 during the meeting of the committee. The recorded note of proceeding is attached.

10. The Commission took into consideration the facts presented by the MePGCL in its Petition and subsequent various filings, the suggestions/objections received from stakeholders, consumer organizations, general public and State Advisory Committee and response of the MePGCL to those suggestions/objections.

11. The Commission taking into consideration all the facts which came up during the public hearing and meeting of the State Advisory Committee, has approved the Tariff for FY 2016-17 and True up for FY 2013-14 and Provisional True up for FY 2014-15.

12. The Commission has reviewed the directives issued in the earlier Tariff orders for FY 2010-11 to FY 2015-16 and noted that some of the directives are complied and some are partially attended. The Commission has dropped the directives complied with and the remaining directives are consolidated and fresh directives are added.

13. This Order is issued in six chapters as detailed below:

Chapter 1: Introduction

Chapter 2: Summary of ARR & Tariff petition

Chapter 3: Public Hearing Process

Chapter 4: True up for FY 2013-14

Chapter 5: Provisional True up for FY 2014-15

Chapter 6: Analysis of ARR for FY 2016-17 and Generation Tariff for FY 2016-17

Chapter 7: Directives.

The MePGCL should ensure implementation of the Order from the effective date after issuance of a public notice, in such a font size which is clearly visible in two daily newspapers having wide circulation in the state within a week and compliance of the same shall be submitted to the Commission.

This Order shall be effective from 1st April, 2016 and shall remain in force till 31st March, 2017 or till the next Tariff Order is issued by the Commission.

Sd/-

(Anand Kumar)

Chairman, MSERC

1. Introduction

1.1 Background

The Meghalaya Power Generation Corporation Limited (hereinafter referred to as MePGCL or Petitioner) has filed its Petition on 05.02.2016 under section 62 of the Electricity Act 2003, read with Meghalaya State Electricity Regulatory Commission (MYT) Regulations, 2014 for determination of Aggregate Revenue Requirement and determination of Generation Tariff for FY 2016-17.

The Commission has admitted the Petition on 10.02.2016.

1.2 Meghalaya Power Generation Corporation Limited

The Government of Meghalaya unbundled and restructured the Meghalaya State Electricity Board with effect from 31st March, 2010 into the Generation, Transmission and Distribution businesses. The erstwhile Meghalaya State Electricity Board was restructured into four successor entities, viz.

1. Generation: Meghalaya Power Generation Corporation Ltd (MePGCL)
2. Transmission: Meghalaya Power Transmission Corporation Ltd (MePTCL)
3. Distribution: Meghalaya Power Distribution Corporation Ltd (MePDCL)
4. Meghalaya Energy Corporation Limited (MeECL) a holding company.

The Government of Meghalaya issued further notification on 29th April, 2015 notifying the revised statement of assets and liabilities as on 1st April, 2012 to be vested in Meghalaya Energy Corporation Limited. As per the said notification issued by the Government of Meghalaya a separate corporation "Meghalaya Power Generation Corporation Limited" (MePGCL) was incorporated for undertaking Generation Business.

1.3 Meghalaya State Electricity Regulatory Commission

Meghalaya State Electricity Regulatory Commission (hereinafter referred to as "MSERC" or the Commission) is an independent statutory body constituted under the provisions of the Electricity Regulatory Commission (ERC) Act, 1998, which was superseded by Electricity Act (EA), 2003. The Commission is vested with the authority of regulating the power sector in the state inter alia including determination of tariff for electricity consumers. The MSERC has notified the terms and conditions for determination of tariff regulations on multi year basis which gives the procedure and requirement of filing of the ARR for ensuing year. Similarly, the Commission has also notified MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014.

1.4 Commission's Order for the MYT Period FY 2015-16 to FY 2017-18

MePGCL filed its petition under Multiyear tariff frame work for the FY 2015-16 to FY 2017-18 on 02.01.2015, in accordance with the Meghalaya State Electricity Regulatory Commission (Multiyear Tariff Frame Work) Regulations, 2014, notified by MSERC. The Commission approved the ARR for the MYT period FY 2015-16 to FY 2017-18 in its Order dated 30.03.2015.

1.5 Admission of the current Petition and Public hearing process

The MePGCL has submitted the current Petition for True up of FY 2013-14, Provisional True up for FY 2014-15 and determination of Aggregate Revenue Requirement (ARR) for FY 2016-17 and determination of tariff for FY 2016-17. The Commission undertook the technical validation of the Petition and admitted the Petition on 10.02.2016.

Regulation 17 of the Tariff Regulations, 2014 provides for giving adequate opportunity to all stakeholders and general public for making suggestions/ objections on the Tariff Petition as mandated under section 64(3) of the Electricity Act 2003. In the admission order the Commission has directed the generating company to publish a notice in leading newspapers widely circulated in the State seeking comments from general public and other stakeholders. MePGCL has published the Notice in the following newspapers and sought comments within 30 days from the general public.

Table 1.1: Details of Public Notice

Name of the Newspapers	Date of Publication	Languages
The Shillong Times	12.02.2016	English
U Nongsain Hima	12.02.2016	Khasi
Salentini Janera	13.02.2016	Garo

The Petitioner has also placed the public notice and the Petition on the website (www.meecl.nic.in) for inviting objections and suggestions on its Petition. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition within 30 days of publication of notice.

The Commission received only one objection/suggestion from industrial consumer's organisation. The Commission examined the objections/suggestions received and sent it to MePGCL for their response. The Commission also fixed the date for public hearing on MePGCL's petition to be held on 21.03.2016. The Commission also informed the objectors to take part in the public hearing process for presenting their views in person before the Commission through public notices published in the leading newspapers on 08.03.2016 & 17.03.2016. The hearing was conducted at the Commission's office in Shillong as scheduled. The Commission also held meeting with State Advisory Committee. Proceedings of the meeting are given in **Annexure-I**. The Commission also considered objection received through email from Shri. Ramesh Bawri, Member MSERC, State Advisory Committee.

The names of consumers/consumer's organisations those who filed their objections and the objectors who participated in the public hearing for presenting their objections are given in the **Annexure II.**

A short note on the main issues raised by the objectors in the written submissions and also in the public hearing along with response of MePGCL and the Commission's views on the response are briefly given in chapter-3.

1.6 Approach of the Commission for determination of ARR and Tariff FY 2013-14 & FY 2014-15

As per the Regulations the licensee shall file the petition for true up of business by 30th September of the following year along with audited financial statements and C & AG certificate. The MePGCL has filed its petition on 05.02.2016 with true up exercise along with audited accounts for FY 2013-14 which is not yet audited by C&AG. However, the Commission in compliance of APTEL judgment had considered the petition of MePGCL and licensees. The MeECL has submitted C &AG audit report for the FY 2011-12 on 08.02.2016 along with the statutory auditor's report of MePGCL, MePTCL and MePDCL for the FY 2013-14. It is mentioned therein that the

C&AG report for FY 2012-13 for MeECL (holding company) and three subsidiaries are yet to be received from C&AG. It was also confirmed vide Letter dated 18.03.2016

The Commission would like to make it clear the implications of the Regulations that the true up exercise without the C&AG audit report shall be interim approval only subject to readjustment of revenue gap/surplus after filing of the petition along with C&AG reports. Similarly, without audited accounts like in FY 2014-15, it should only be treated as Review of the ARR and the same shall be subjected to corrections on filing of the audited accounts.

Adjustment of gap/surplus

In the present petitions, the true up Orders passed by the Commission for the FY 2013-14 and FY 2014-15 shall be interim approvals subject to readjustment after filing of audited accounts certified by C&AG.

Performance

The Commission observed that the actual performance of MePGCL is not as per the designed energy. Accordingly, the charges are determined on projected energy and gap/surplus needs to be apportioned as per the efficiency of the MePGCL.

Return on Equity

The Government of Meghalaya has communicated revised and fourth amendment allocating the assets and liabilities among the unbundled utilities vide orders dated 29.04.2015. The generation, transmission and distribution corporations shall adopt those allocations in the respective corporations books for claiming of return on equity in accordance with the Regulations and judgment made by Hon'ble APTEL in similar matters. After the process of Government of Meghalaya allocation of equity, the return on equity shall be computed for arriving at the ARR and tariff. Till such time equity available with MeSEB prior to unbundling shall be considered equally for three corporations and return on equity shall be allowed for tariff.

Capital cost

The Commission considers opening GFA of three corporations as per the balance sheet and depreciation allowed after deducting grants and contributions value as per the Regulations after prudence check. The Commission has provisionally the capital cost of Leshka as considered in its interim Tariff Order subject to adjustments after the compliance of directives given by the Commission in this regard to MePGCL.

Interest and Finance charges

The Commission has considered loans borrowed for capital works and interest charges allowed on average rate of total outstanding loans for arriving at the ARR on the basis of the approved capital cost including Units-I & II of Leshka in accordance with the interim Tariff Order of Leshka.

ARR and Tariff

The Commission keeping in view the interest of consumers/stakeholders after prudence check has considered the ARR for true up for FY 2013-14 & FY 2014-15 and determination of tariff for FY 2016-17. The Commission allows admissible claim while ensuring sustainable operations by the utilities as per the Regulations approved the tariff order for FY 2016-17. The sustainability of the utility is important so as to serve its consumers by supplying 24x7at affordable rates.

Conclusion

The Commission is of the view that truing up exercise is a regular process and need to be done every year along with the Tariff filing of the next year with audited accounts. The Commission is constrained to do the truing up in the absence of audited financial statements.

2. Summary of True up of FY 2013-14, Provisional True up of FY 2014-15, and Revised Generation Tariff for FY 2016-17

2.1 Existing Stations

MePGCL has filed the petition on 05.02.2016 seeking approval of True up of FY 2013-14, Provisional True up of FY 2014-15 and determination of Generation Tariff for FY 2016-17.

Earlier the Commission had determined ARR for the control period FY 2015-16 to FY 2017-18 and Tariff for FY 2015-16 under MYT framework on 30.03.2015 for old generating stations and Sonapani of MePGCL. The Commission had allowed Interim Tariff for MLHEP Leshka Project dated 10.04.2014 with the directions to MePGCL to submit the petition for determination of final tariff for Leshka Project after getting Technical Committee Report.

MePGCL submitted in the current petition for the True up for FY 2013-14, Provisional True up for FY 2014-15 and prayed to include the gap as a result of true up of FY 2013-14 and FY 2014-15 and requested for the Revision of Generation Tariff for FY 2016-17.

The Commission has admitted the petition on 10.02.2016.

MePGCL has calculated the total gap resulting from the Truing up of FY 2013-14 and provisional Truing up of FY 2014-15, which is required to be recovered from the revised generation tariff of FY 2016-17. As projected in the petition, the Licensee sought for and reckoned total gap to be allowed in the FY 2016-17 for MePGCL as a whole, including old plants as well as Leshka Project.

In order to segregate the net gap arrived for FY 2013-14 and FY 2014-15 among Sonapani, Leshka HEP and all other existing Plants, MePGCL has divided the total net gap for each year proportionately as per the ratio of approved ARR in the respective years. The calculations are shown below:

Table 2.1: Allocation of True up Gap (Rs. Crore)

Year	Approved for All Existing Plant	Approved for Leshka	Gap Estimated by MePGCL	Proportionate Gap for Leshka	Proportionate Gap for Existing Power Plant	Proportionate Gap for Existing Power Plant except Sonapani	Proportionate Gap for Sonapani
FY 2013-14	58.64	135.54	151.65	105.85	45.80	45.29	0.51
FY 2014-15	69.93	135.54	180.53	119.09	61.44	60.76	0.68

Further, MePGCL has added the gap components to be approved in ARR for FY 2016-17 and considered the same for calculating revised Generation tariff. MePGCL has considered Design Energy approved for FY 2016-17 and accordingly calculated Fixed and Energy charges as per the methodology adopted by the Hon'ble Commission in the MYT Order for FY 2015-16 to FY 2017-18.

Table 2.2: Calculation of Revised ARR for FY 2016-17

(Rs. Crore)

	MePGCL Old Generating Stations	Sonapani	Leshka HEP
Approved in MYT Order for FY 2016-17	83.05	0.93	135.54
Add True Up Gap of FY 2013-14	45.29	0.51	105.85
Add True Up Gap of FY 2014-15	60.76	0.68	119.09
Total AFC including Gap	189.10	2.12	360.49

Based on the above described methodology, MePGCL has projected revised Generation Tariff for FY 2016-17 and humbly prayed before the Commission to approve the same.

Table 2.3: Proposed Revised Tariff for FY 2016-17

Revised Tariff for FY 2016-17

Sl. No	Name of the Plant	Capacity (MW)	Designed/ Annual Energy (MU)	AFC Allocation (Rs. Crore)	Average Tariff (Rs./kWh)	50% as Capacity Charges (Rs. Crore)	50% as Energy Charges (Rs./kWh)
1	Umiam I	36	116.00	36.37	3.13	18.18	1.57
2	Umiam II	20	46.00	20.20	4.39	10.10	2.20
3	Umiam III	60	139.00	60.61	4.36	30.30	2.18
4	Umiam IV	60	207.00	60.61	2.93	30.30	1.46
5	Umtru	11.2	39.00	11.31	2.90	5.66	1.45
	Sub: Total	187.2	547.00	189.10			
6	Sonapani	1.5	5.00	2.12	4.24	1.06	2.12
	Sub Total	188.70	552.00	191.22			
7	Leshka	126	478.94	360.49	7.53	180.24	3.76
	Total	**314.70**	**1030.94**	**551.70**			

3. Public Hearing Process

3.1 Introduction

The Commission has received objections on the ARR and Tariff proposal of MePGCL for 2016-17. Further, the Commission in its State Advisory Committee meeting has received suggestions/objections from the members. The Commission has held public hearing on 21.03.2016 where general public were invited to get suggestions on the ARR of all the utilities. The Commission has considered all responses received so far on the ARR and tried to make a balance between the interest of utility and consumers. The Commission has given the details of the objections made by consumers and responses given by utility in this chapter.

3.2 BIA's Objections on Petition filed by MePGCL for Tariff for FY 2016-17

(I). General comments

1. BIA submitted that the industries have been set up in the State of Meghalaya based on the representations made on the sustained supply of electricity at competitive prices. The cost of electricity has however increased substantially over the years which have made the operation of industries in the State more and more unviable. It is submitted that the viability and sustainability of the industries is also essential for the economic development of the State.
2. It is stated that the petition filed by MePGCL is bereft of required details and MePGCL has not complied with the provisions of the Tariff Regulations of the Commission. The so called details sought to be provided for the purposes of truing up are arbitrary and without sufficient justification and in the circumstances, the present petition is liable to be rejected by the Commission.
3. BIA submitted that in terms of Section 64(3)(b) of the Electricity Act, 2003, the applications filed by MePGCL is liable to be rejected as the same is not in accordance with the provisions of the Electricity Act and the Rules and Regulations framed there under. The MePGCL cannot claim any premium or additional tariff for its own default in not providing the details and justifications in accordance with the Regulations of the Commission.
4. Further, MePGCL has only produced the statutory auditor certificate and not the C&AG Audited accounts. Instead of complying with the directions of the

Commission, MePGCL is wrongly relying on the Judgment dated 30.10.2015 passed by the Hon'ble High Court of Delhi wherein the direction to conduct a C&AG Audit of the Private Distribution Companies in Delhi has been set aside. The observations of the Hon'ble High Court are also in the context of 'setting of tariff' and not truing up.

5. The MePGCL is a government company and is mandated to get the C&AG Audit conducted in a time bound manner. Being in FY 2016-17, it is not understood as to why MePGCL cannot get the C&AG Audit for FY 2013-14 and is going on flouting the directions issued by the Commission.

6. Also, this Commission had fixed the ARR for FY 2015-16 to FY 2017-18 as well as the tariff for FY 2015-16 vide the Tariff Order dated 30.03.2015, MePGCL had sought review of the above Order. In the said review petition, several data was called for by the Commission which was not filed by the MePGCL. In the circumstances, vide Order dated 04.08.2015, the Commission has dismissed the review petition.

7. BIA submitted that without either challenging the Order dated 30.03.2015 or 04.08.2015, the prayers of MePGCL in the present petition is to vary the terms of the above Orders, which is not permissible in law.

8. Further, the tariff for FY 2013-14 of MePGCL generating stations had been fixed by the Commission vide Order dated 30.03.2013 and for FY 2014-15 vide the Order dated 10.04.2014. The norms and parameters for determining the generation tariff had been finalized in the above orders which have not been challenged by MePGCL and have become final and binding. Therefore, MePGCL cannot reopen any norms and parameters in the truing up proceedings.

9. BIA raised the following issues:

<u>TRUING UP FOR FY 2013-14</u>

RE: NORMATIVE ANNUAL PLANT AVAILABILITY FACTOR (NAPAF)

10. BIA submitted that it is incorrect to contend that in the Tariff Order dated 30.03.2013 passed for FY 2013-14, the Commission fixed the NAPAF without knowing the actual technical details. The data had been placed by MePGCL only before the Commission for the previous 5 years of operation based on which the design energy & NAPAF had been fixed.

11. MePGCL in Table 1 of the present petition has simply asked for the actual NAPAFs achieved to be accepted. This is not the concept of truing up. In fact, in the case of

generating companies, truing up cannot be used to vary the norms and parameters fixed. In this regard, the Hon'ble Appellate Tribunal in Maharashtra State Power Generation Co. Ltd. v. Maharashtra Electricity Regulatory Commission, Mumbai and Ors. (Judgment dated 10.4.2008 in Appeal No. 86 & 87 of 2007) has held as under –

12. "46. From the above, we observe that disallowance has been only on account of variations arising due to actual performance parameters being different from that approved by the Commission. In our opinion, once the Commission has approved certain performance targets to be achieved by the Appellant, determination of tariff would be based on these performance targets unless it is demonstrated there had been circumstances/facts different from those assumed at the time of stipulating the performance parameters or there is change in business conditions that were envisaged earlier. We find nothing of these sorts happening to the Appellant. Hence, the claim of the Appellant for seeking additional fuel cost consequent upon the actual performance parameters turning out to be inferior to those stipulated by the Commission."

13. BIA submitted that MePGCL has sought to apply a 5% reduction in the actual NAPAF for all of its generating stations, claiming difficulties in operating in the said region.

14. BIA submitted that the claim of the MePGCL is untenable. There cannot be any such across the board relaxation given in the NAPAF merely on a bald claim by MePGCL that it faces difficulties. The NAPAF is a well-defined term under the Regulations of the Commission, namely the availability of the plant taking into consideration various aspects and conditions.

15. BIA submitted that there is no mention whatsoever of what is the difficulty faced, the steps taken by MePGCL to overcome such alleged difficulties and the timeframe within which the situation would become normal again. Such claims cannot be allowed merely on the statement made by MePGCL, without providing any details whatsoever of the difficulties faced on account of the region.

16. BIA submitted that it is evident from the above that the claim is being made by MePGCL only to cover up its inefficiency in the operation of the generating stations.

17. BIA submitted that unless the MePGCL is in a position to provide authenticated data about the silt levels at the generating station and establish to the satisfaction of the Commission that the plant availability is significantly affected by silt warranting reduction in the NAPAF, the NAPAF for the said generating station ought to be taken

at 90% as provided in Regulation 60(1)(a) of the Tariff Regulations of the Commission.

18. BIA submitted that it is evident from the historical operation of the generating stations of the MePGCL that there are substantial inefficiencies in the operation and the generation level can increase by prudent utility practices of MePGCL. In the circumstances, it is respectfully submitted that the Commission ought to disallow any reduction in generation levels as claimed including lower NAPAF for the generating stations of MePGCL.

RE: AUXILIARY CONSUMPTION AND TRANSFORMATION LOSS

19. BIA submitted that the actual figures of auxiliary consumption and transformation loss of MePGCL indicates that the norms fixed were more than sufficient and the losses incurred by MePGCL are much lower than the figures fixed by the Commission. Therefore, the truing up needs to be conducted to account for the above.

RE: DESIGN ENERGY AND NET GENERATION

20. BIA submitted that it is seen that MePGCL has not proposed any change in the design energy and adopted the same figures as had been fixed by the Commission in the Tariff Order dated 30.03.2013 but has not applied the actual transformation losses and auxiliary consumption where there has been a substantial saving to MePGCL.

21. BIA submitted that it cannot be that MePGCL wants the NAPAF as per the actuals achieved but does not want to pass on the benefits of the actual transformation losses and auxiliary consumption. Such a dichotomous approach cannot be accepted.

RE: RETURN ON EQUITY (RoE)

22. BIA submitted that in the Order dated 30.03.2013, the RoE had been allowed by this Commission as Rs. 19.55 Crore exactly as per the projection of MePGCL. At this stage, MePGCL is claiming RoE of Rs. 95.26 Crore based on its revised accounts as per the Transfer Scheme.

23. BIA submitted that this is completely unacceptable and had been specifically rejected by the Hon’ble Appellate Tribunal in the following Judgments –

A. Mawana Sugars Limited v PSERC & Ors (Judgment dated 17.12.2014 in Appeals No. 142 & 168 of 2013)

"32. According to the learned counsel for the State Government and learned counsel for the PSPCL, the transfer scheme is binding on the State Commission under Section 131(3)(b). Section 131 of the Act provides for revaluation of the assets and liabilities at the time of transfer of assets from the Government of Punjab to PSPCL. According to them, the valuation of assets, property, interest in property, rights and liabilities were undertaken in terms of the proviso to Section 131(2) pursuant to a detailed expert report submitted on financial restructuring and valuation. Pursuant to above, the final Notification under Section 131(2) of the Act was notified by the Government of Punjab on 24.12.2012. Upon such valuation of the assets which belong to Government of Punjab to be transferred to PSPCL which worked out to Rs. 30912 crores, the Government of Punjab was issued equity shares to the extent of Rs. 6081.43 crores which works out to 30% of the capital assets value. PSPCL has actually issued equity share capital to the extent of Rs. 6081.43 crores to the Govt. of Punjab in terms of the Transfer Scheme Notification under Section 131. 33. We find that Section 131(1) provides that the State Government can notify Transfer Scheme for transfer of property, interest in property, rights and liabilities of the State Electricity Board to vest in the State Government on such terms as may be agreed between the State Government and the Board. Under this provision, the assets, liabilities, etc., of the Punjab State Electricity Board have been vested in with the State Government at book value of the assets. 34. Section 131(2) provides that the property, interest in property, rights and liabilities vested in the State Government under sub-section (I) shall be re-vested by the State Government in a Government company or in a company/companies, in accordance with the Transfer Scheme on the terms and conditions as may be agreed between the State Government and such company/companies. Proviso to Section 131(2) states that transfer value of any assets transferred shall be determined as far as may be, based on the revenue potential of such assets.

35. Section 131(3) is reproduced below: "(3) Notwithstanding anything contained in this section, where-

(a) the transfer scheme involves the transfer of any property or rights to any person or undertaking not wholly owned by the State Government, the scheme shall give effect to the transfer only for fair value to be paid by the transferee to the State Government;

(b) a transaction of any description is effected in pursuance of a transfer scheme, it shall be binding on all persons including third parties and even if such persons or third parties have not consented to it.

36. Under Section 131(3) (a) if the transfer scheme involves the transfer of any property or rights to any person or undertaking not wholly owned by the State Government, then the transfer value will be fair value to be paid by the transferee to the State Government. Sub-section 3(b) states that transaction in pursuance of a Transfer Scheme shall be binding on all persons including third parties. In this case the transfer has taken place from the State Government to the State owned entities, namely PSPCL and PSTCL. Therefore, Section 131(3) (a) shall not be applicable to the present case. However, under proviso to Section 131(2) assets can be determined based on the revenue potential of such assets.

37. From the Consultants Report on Financial Restructuring Plan of PSPCL and PSPTCL dated 18.12.2012, we do not find any exercise of re-valuation of assets of the Board vested with the State Government to be transferred to the successor companies. The Consultants has only proposed disaggregated balance-sheet.

38. Admittedly, the Transfer Scheme as notified by the State Government is not under challenge. However, the State Commission is authorized to carry out a prudence check of the balance sheet. This Tribunal in the past has held that the State Commission is not bound to accept the figures as given in the audited balance sheet in toto and can determine the return on equity and other expenses after prudence check. In this case, there was no induction of fresh funds and the equity as on the date of transfer has been increased from Rs. 2946.11 Crore to Rs. 6687.26 Crore. The increase as explained by PSPCL in their letter dated 26.2.2013 is on account of treating the consumer contribution and grants and subsidies towards the capital assets as standing in the audited accounts of the Electricity Board as equity. In our opinion, the State Commission should have allowed return on equity on the actual equity of Rs. 2946.11 Crore to be apportioned to PSPCL and PSTCL.

39. This Tribunal had dealt with a similar matter in its judgment dated 17.09.2014 in Appeal No. 46 of 2014 and held as under:

"46. Admittedly, the consumer security deposit has been capitalized pursuance to the State Govt. order and the Respondent No.2 is claiming ROE on such capitalized sum. We feel that the consumer security deposit is not a capital asset on which ROE can be claimed. Even if the State Government has ordered capitalization of consumer security deposit and accordingly the balance sheet of the Distribution Companies has been drawn up with gross fixed assets including the consumer security deposit, the State Commission should have deducted the amount of consumer security deposit while allowing ROE on the equity component of the capital cost.

47. As already held by this Tribunal, the State Commission is not bound to follow the audited accounts and the State Commission can scrutinize the same and allow the expenditure only after prudence check. By allowing ROE on consumer security deposit and also allowing interest paid *by the Distribution Licensee to the consumers against consumer security deposit in the ARR of the Distribution Licensee, the consumer has been burdened unreasonably. On one hand the Distribution Company has been allowed ROE on the security deposit which is contributed by the consumer and on the other hand the interest paid to the consumer on such deposit is also allowed as a pass through in the tariff to be recovered from the consumers. This is wrong.*

48. Hence, we find force in the arguments of the Appellant that ROE on consumer security deposit amount capitalized in the books of accounts of the Distribution Licensee should not have been allowed in the ARR of the Distribution Licensee. Accordingly, we direct the State Commission to adjust the excess amount of ROE allowed in the Impugned Order from FY 2011-12 onwards in the APR/True up for these years to provide relief to the consumers". 40. The findings of this Tribunal in Appeal no. 46 of 2014 shall squarely apply in this case. Accordingly, this issue is decided in favour of the Appellants. The State Commission shall re-determine the ROE as per our directions and the excess amount allowed to the distribution licensee with carrying cost shall be adjusted in the next ARR of the respondent no.2.

B. **Chhattisgarh State Power Distribution Company Limited** v/s. **CSERC** (Judgment dated 09.10.2015 in Appeal No. 308 of 2013)

*"33. **<u>Issue No.13</u>: Capital Restructuring for CSPACL, CSPTCL and CSPDCL upon unbundling of erstwhile CSEB**.*

…………………..

33.12 This Tribunal in the judgment dated 17.12.2014 in Appeal No.142 of 2013 has held as under:

……………………

33.13 The finding of the above judgment will apply to the present case.

33.14 The Commission has not restructured the Chhattisgarh State Electricity Board as alleged by the Appellant. The Commission has only decided that consumers cannot be saddled with certain costs as reflected in the accounts of the Appellant merely on account of notification of the transfer scheme and new values shown in the books of the Appellant. The Commission has only allowed the costs in the ARR and Tariff after prudence check of the books of accounts of the Appellant. Therefore, ***we do not find any reason to interfere with the findings of the Commission in this regard****."*

24. BIA submitted that the consumers had already paid for the capital assets of MeECL which has then been restructured into the three successor companies. Merely by notifying a transfer scheme, the capital figures cannot be changed. The Hon'ble Tribunal has clearly held that if the utility wishes to have a higher equity in its books of accounts, it can do so but the RoE cannot be passed on to the consumers. The Transfer Scheme issued by the State Government is not binding on the Commission in this regard and the additional RoE cannot be passed on to the consumers.

25. Therefore, there can be no question of allowing RoE of Rs. 95.26 Crore as being claimed by MePGCL.

<u>RE: DEPRECIATION</u>

26. BIA submitted that in the Order dated 30.03.2013, the Commission had decided the issue of depreciation.

27. BIA submitted that it is not understood as to how MePGCL is booking depreciation of Rs. 66.35 Crore against all its plants including the old plants. In the case of most of these stations, even as per MePGCL they are very old and most of the depreciation would have been charged to the extent of 90% of the capital value of the assets. Therefore, no additional depreciation should be given.

28. BIA submitted that MePGCL has not given the asset wise break up of the Gross fixed assets relating to the old generating stations, nor provided any details in relation to the generating station for which the depreciation has been sought.

29. BIA submitted that the only reason given by MePGCL for higher depreciation is the Audited Statement of Accounts. From a perusal of the Audited Statement of Accounts, it seems that the main difference in depreciation is on account of the changes made in by the State Government in the Transfer Schemes.

30. BIA submitted that it has already been held by the Hon'ble Appellate Tribunal in many cases and the figures shown in the Transfer Scheme are not binding for tariff determination. Therefore, the attempt on the part of MePGCL to get the values in the Transfer Scheme modified just to claim higher depreciation needs to be rejected outright.

31. BIA submitted that MePGCL should be directed to explain as to what are the details of the assets capitalized in FY 2013-14. Till the time this detail is available, there will be no clarity on the depreciation claimed by MePGCL. Further, it is noticed that even in the truing up petition filed by MePDCL, some depreciation is being claimed for the Leshka project. This discrepancy also needs to be explained by MePDCL and MePGCL.

32. In such circumstances, the claim made by MePGCL for depreciation is untenable and liable to be rejected.

INTEREST AND FINANCE CHARGES FOR FY 2013-14

33. BIA submitted that in the Tariff Order dated 30.03.2013, no interest and finance charges had been allowed by the Commission since no such claim had been made by MePGCL. With regard to Leshka, the Commission had allowed the interest and finance charges of Rs. 72.95 Crore which is now being claimed as Rs. 98.35 Crore.

34. BIA submitted that it is noticed from the parallel petition for truing up of FY 2013-14 filed by MePDCL that the claim for additional depreciation has been made on account of capitalization of IDC of the ongoing Leshka and New Umtru projects.

35. Firstly, the above projects belong to the MePGCL and MePDCL cannot make any claim for IDC of the same. Secondly, even the dates of commissioning of the above projects have not been given. If the projects are not commissioned at all, how can the IDC be capitalised at this stage.

36. In the absence of clarification on the above aspects, no further interest and finance charges can be allowed to MePGCL.

OPERATION AND MAINTENANCE (O&M) EXPENSES

37. BIA submitted that the actual O&M Expenses are lesser than the normative O&M Expenses allowed and hence needs to be trued up.

38. Consequently, the working capital as claimed by MePGCL also needs to be revised taking into account the allowable Operation and Maintenance Expenses.

PRIOR PERIOD ITEMS

39. BIA submitted that in every truing up / tariff petition, some claims are made as ‘prior period items/debits’ without any details whatsoever. MePGCL is claiming an amount of Rs. 11.69 Crore in this regard for FY 2013-14 and this seems to be on account of some wrong accounting done by MePGCL/MeECL in the past with regard to depreciation, interest costs etc.

40. There is no provision in the Tariff Regulations for allowing any such items like ‘prior period items / debits’ and the same cannot be allowed.

PROVISIONAL TRUING UP FOR FY 2014-15

41. BIA submitted that with regard to the prayer of provisional truing up for FY 2014-15, MePGCL has only given the details in one table i.e. Table 2.1 wherein MePGCL has sought to pass on an amount of Rs. 180.53 Crore to the consumers without giving any details whatsoever. Once again, the gap is on account of inflated RoE and Depreciation figures because of the revised Transfer Schemes and the non achievement of the NAPAF set by the Commission. This is only an attempt on the part of MePGCL to artificially increase its capital cost by merely notifying a balance sheet which is not binding of the Commission. Therefore, no amounts can be passed on account of the same to the consumers.

REVISION OF TARIFF OF FY 2016-17

42. BIA submitted that in view of the detailed submissions made herein above, the huge gap of more than Rs. 164.49 Crore for FY 2013-14 and Rs. 189.02 Crore for FY 2014-15 sought to be passed on by MePGCL by way of the present petitions are

completely illogical, without any basis whatsoever and an attempt on the part of MePGCL to fleece the consumers in the State of Meghalaya.

43. BIA submitted that not even a single C&AG Audit report has been filed by MePGCL including as early as for the FY 2013-14. However, MePGCL is seeking to pass on all its claims to the consumers in the State as a matter or right without performing any of its functions.

44. BIA submitted that none of these amounts can be passed on to the consumers.

45. BIA submitted that the above aspects may be taken into consideration. BIA craves leave to the add to the submission mentioned above and also to submit such material with the leave of the Commission as may be necessary in the truing up process. BIA also craves leave to make oral submissions in the public hearing to be conducted by the Commission

Response of MePGCL on BIA petition

1. MePGCL submitted that the present petition has been filed in compliance of the Order of Hon'ble APTEL dated 01.12.2015 wherein the true up by the Commission should be done on audited accounts and to arrive the gap or surplus in the petition for FY 2016-17.

2. MePGCL submitted that as per Regulations 15 of Tariff Regulations 2011 the audited statement of accounts should be done either by C&AG or by a statutory auditor and therefore audit by C&AG is not binding. However, the C&AG report of FY 2011-12 has already been submitted and report of FY 2012-13 & 2013-14 shall be submitted as soon as it is available.

3. They also quoted that the Commission has in its Order dated 05.08.2015 stated that the Commission is open to consider changes at appropriate time in accordance with Regulations and prudence check.

Truing up for 2013-14

4. MePGCL submitted that information related to projects, specification and calculations were already given to the Commission with a request to consider the proposal. The difficulties in the North East such as remoteness of the region, poor communication, non availability for spare for emergency maintenance, breakdown, shortage of skilled manpower requires 5% allowances in the NAPAF.

5. The study of NAPAF has already been done and a report of the same is being given to the objector.

6. MePGCL has given reasons for relaxation of NAPAF and requested the Commission to allow it. MePGCL also submitted reduction in auxiliary consumption and transformation loss belies the contention that the plants are operated inefficiently. As far as designed energy is concerned MePGCL has not proposed any change.

Return on equity

7. MePGCL submitted that equity component appearing in the balance sheet as per the transfer schemes is to be considered from the first year of operation and the Commission had only approved provisional values. They claimed that since the equity pending allotment has now been allocated to share holders. Return on equity should be given as per the transfer schemes.

Depreciation

8. MePGCL has considered depreciation as per useful life and in addition the depreciation for Leshka project which is in full capacity is booked. MePGCL also submitted that depreciation of 1/3rd of MeECL is also booked for depreciation. The depreciation is being charged as per the statement of accounts.

Interest on loan

9. MePGCL submitted that details for loan for Leshka Project were not available at the time of approval of ARR of FY 2013-14 and therefore with this statement of accounts the same are being submitted for approval of the Commission for interest on loan. They have submitted the date of commissioning in the petition itself. They also submit that the ARR of the Leshka project was approved on lump sum basis without detailed break up as such figures were provisional. Now with the availability of accounts MePGCL request the Commission to conduct the truing up based on the actual exercise.

Prior period expenses

10. The prior period expenses claimed is in accordance with the Regulations 2011.

Provisional True up for FY 2014-15

11. The provisional true up for FY 2014-15 has been included in the petition on the directive of the Hon'ble Tribunal and if it is not done now it would increase the liabilities of the consumers in the long run. They further submitted that C&AG audit or a statutory auditor is required for true up. However, they are in the process of filing C&AG certificate as soon as they receive it.

MePGCL requested the Commission to allow the present petition and to revise the current tariff.

Public hearing

During the public hearing held on 21.03.2016, the Commission explained the salient features of the MYT Regulations and process of determination of Tariff in the control period. The Commission explained the background of the present tariff proceedings and explained to the participants that the notices inviting the objections were given in the newspapers. The Commission shall consider the objections with regard to petitions up to 22.03.2016 for consideration in the tariff order. Important issues relating to the petition were explained to the participants. The Commission pointed out the requirement of audit of accounts as per Hon'ble APTEL order dated 01.12.2015. The Commission explained that in the current proceedings petition for determination of tariff of MLHEP has not been filed and not part of the current exercise. The Chairman explained that shortcomings in the report of independent committee have been given to MePGCL on which no response has been received so far. The Report of C&AG is also awaited on the accounts of Leshka project. MePGCL submitted to the Commission that they will file the matter separately. A copy of submissions of MePGCL in response to BIA objection was given to Advocate Ms Ramchandra in the hearing. During the hearing, the Byrnihat Industries Association represented by their Advocate, Ms. Ramchandran objected to the petition on the issues already deliberated in their written submissions. These were that (i) Judgement of Hon'ble APTEL dated 01.12.2015 wherein certain directions were given which needs to be complied with in the present proceedings. (ii) Judgment of Hon'ble Delhi High Court not to be relied upon as MePGCL is a Government Company and is mandated to get the C&AG audit. (iii) Return on equity should be given on the basis of prudence check and original equity as given under various judgment of Hon'ble Tribunal. (iv) Relaxation for NAPAF should not be considered without conducting an independent study of the same (v) Depreciation for old plants who have almost completed their life should not be given (vi) For Leshka Project, true up without complying to the Commission's directives for submission of reports and C&AG certificates should not be undertaken (vii) Non submission of details of past period expenses.

Industrial consumer has also requested the Commission to consider their genuine demand for attractive tariffs so as to compete in the market. He has given the example of Chattisgarh, West Bengal, Arunachal Pradesh and Jharkhand where tariff lower than Meghalaya are applicable.

Meeting with members of State Advisory Committee

During the State Advisory Committee meeting, the Commission explained the salient features of the True up ARRs of FY 2011-12, 2012-13, 2013-14, 2014-15 and revision in tariff for FY 2016-17 filed by Generating Corporation (MePGCL), Distribution Licensee (MePDCL) and Transmission Licensee (MePTCL). The Commission explained that the directions of Hon'ble APTEL Order dated 01.12.2015 for filing of audited accounts prior to finalization of current year tariff need to be complied with. The Commission explained the important issues relating with the True up and audited accounts which have its bearing on the consumer's tariff. Members of the Advisory Committee were briefed that the Commission has already admitted ARR petitions for all three utilities and response received so far in this regard. The Chairman invited suggestions with regard to present petition from the members. The Chairman suggested the members to send their comments in writing to the Commission, if required. The issues which were presented before the members are AT&C losses, power availability in the State and present demand of the consumers. The Chairman has also shown his concern on the present level of losses in the State which have bearing on the tariff of the consumers. It was deliberated in the meeting that the control on the losses is must and the Commission should not allow the licensee over and above the targets fixed by the Commission in its earlier orders. The Commission highlighted the results of energy audit exercise held in Police Bazaar to the members of the Advisory Committee. The Chairman suggested MeECL that there is a need to create a special group for monitoring of billing and collection including losses of all high revenue yielding consumers of the State. MePDCL officers agreed to it. The Commission has also shown its concern to get C&AG report on the licensee's statement of accounts after FY 2011-12. The Chairman invited suggestions from the participants on the ARR. Members of the SAC raised issues relating to high losses in the system, grant of licensee status to MES, audit of accounts by C&AG and other issues. Shri. Bawri suggested that decision of Delhi High Court in a matter of audit by C&AG as submitted by MeECL is of no relevance in the present case. Shri. Bawri stated that the licensee's tariff is determined under the provisions of Electricity Act, 2003 and Regulations of the Commission. An example was referred in regard to Regulation 15 which says that True up petitions shall be considered with the audited accounts by C&AG or Statutory Auditor. Further, it was suggested that the timeline of submitting the audited accounts should also be adhered as per the Regulations and consumers should not be burdened with the previous year backlog over and above two years. Shri. Bawri gave the example of a decision of the Apex Court that present consumers should not be over burdened with the past backlog. MePDCL submitted that there is a provision in the law to put penalty on delay on submission of accounts but the legitimate expenditures of the licensee should be allowed. Mr. Bawri stated that as per Regulations, the True up application should be submitted by 30th September and the current tariff application should be entertained as per MYT Regulations. It was also explained that there is no provision of provisional true up in the Regulations and therefore True up of FY 2014-15 should not be entertained by the Commission. Further, it was mentioned that the function of the auditor is to point out the expenses and revenue as per actuals and its report give the nature of any infirmity and therefore without audit report, no True up should be done. MePDCL explained that they have submitted C&AG report for FY 2011-12, statutory auditor report for FY 2012-13 & 2013-14. Shri Bawri has also sent the Commission an e-mail stating that truing up should not to be entertained at a later stage and mentioned APTEL Order dated 23.05.2007 in the matter of Delhi ERC. Shri. Bawri also quoted a judgment of Apex Court dated 03.03.2009 for increase in the employees cost with retrospective effect. An APTEL Order dated 10.08.2010 was also quoted wherein prior period charges of FY 2002-03 was claimed at a later stage. The Hon’ble APTEL had rejected such claims on the principles laid down by the Hon’ble Supreme Court in DERC matter.

Commission’s observation

The Commission has gone through each of the issues raised by the consumers/ consumer representatives, members of State Advisory Committee, licensees/ generating company and issues raised in the public hearing held on 21.03.2016 and considered them while finalising the tariff.

4. True up for FY 2013-14

Petitioner's Submission and Proposal

4.1 Truing-up for FY 2013-14

MePGCL submitted the following for Truing-up for FY 2013-14.

4.2 Performance

4.2.1 Existing Generation Capacity:

The initial installed capacity when the erstwhile Meghalaya State Electricity Board (MeSEB) was bifurcated from the Assam State Electricity Board (ASEB) in 1975 was 65.2 MW. With the commissioning of Stage-III HEP (1979), Stage IV HEP (1992) & Sonapani Mini Hydel and uprating of Umiam Stage-II (from 18MW to 20MW in 2012), the installed capacity increased from 121.5 MW to 188.70 MW.

All the Generating Stations except Sonapani Mini Hydel Project, as indicated in the Table below are hydel power stations with the main reservoir at Umiam for all the stages. Therefore, all these stages depend mainly on water availability at the Umiam reservoir. The total installed capacity of MePGCL projects at the start as on March 2012, was as under:

Table 4.1: Details of Existing Generation Capacity

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 Stage III	I	30	60	06.01.1979
		II	30		30.03.1979
4.	Umiam 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.	Mini Hydel (Sonapani)	I	1.5	1.5	27.10.2009
	Total			**188.70**	

*Uprated from 18 MW to 20 MW in 2012

4.2.2 New Generation Capacity:

MePGCL has commissioned 126 (42x3) MW Leshka HEP with all its three units and presently generating with its full capacity. In addition to that MePGCL is also currently executing works of Lakroh Mini Hydel project which is proposed for commissioning in FY 2016-17.

Table 4.2: New Project/ Plants Details

Sl. No.	Name & Location	Capacity (MW)	Year of Commencement	Date of Commercial Operation / COD
1	Leshka HEP	42 x 3 = 126	2004	Unit I – 1.4.2012 Unit II – 1.4.2012 Unit III – 1.4.2013
2	Lakroh SHP	1.5	2003	2016-17

The computation of energy and other costs for the new projects as indicated in Table above are discussed in subsequent sections.

4.2.3 Computation of Generation Energy:

The following sections outline details of operational norms for computation of energy generation for FY 2013-14 based on Tariff Regulations, 2011 or past trend as the case may be.

4.2.4 Operation Norms

The following sections provide the extract of the Tariff Regulations, 2011 with respect to computation of energy generation.

4.2.5 Normative Annual Plant Availability Factor

Table 4.3: Normative Annual Plant Availability Factor

Sl. No.	Station Particular	Norm
1	Storage and pondage type plants: where plant availability is not affected by silt and	
a	with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of upto 8 %	90 %
b	with head variation between FRL and MDDL of more than 8%	(Head at MDDL/Rated Head) x 0.5 + 0.2
2	Pondage type plant	Where plant availability is significantly affected by silt – 85%

Note:

(i) A further allowance may be made by the Hon'ble Commission under special circumstances, eg. Abnormal silt problem or other operating conditions, and known plant limitations.

(ii) A further allowance of 5 % may be allowed for difficulties in the North East Region.

(iii) In case of new hydroelectric project the developer shall have the option of approaching the Hon'ble Commission in advance for further above norms.

However in the Tariff order for FY 2013-14, the Hon'ble Commission has not provided specific norms of normative annual plant availability factor (NAPAF) of all generating stations without knowing the actual and verified technical details of each plant. For the purpose of capacity charges, the Hon'ble Commission has approved recovery of fixed charges on the basis of plant availability each month. The Hon'ble Commission had stated that it shall take a final view on design energy and NAPAF after getting a proper study of all generating stations in Meghalaya at the time of next tariff filing.

The proposed NAPAF for all generating stations including Myntdu Leshka HEP for FY 2013-14 are summarized below:

Table 4.4: Proposed Normative Plant Availability Factor FY 2013-14

Station	As per actual	NAPAF with 5% allowance
Umiam Stage-I	64.83	59.83
Umiam Stage-II	90.00	85.00
Umiam Stage-III	68.67	63.67
Umiam Stage-IV	66.79	61.79
Umtru	85.00	80.00
Sonapani	50.00	45.00
MLHEP	44.00	39.00

4.2.6 Auxiliary Consumption

Table 4.5: Auxiliary Consumption

Sl. No	Station Particular	Norm
1	Surface hydroelectric power generating stations with rotating exciters mounted on the generator shaft	0.7% of energy generated
2	Surface hydroelectric power generating stations with static excitation system	1.0% of energy generated
3	Underground hydroelectric power generating stations with rotating exciters mounted on the	0.9% of energy generated

Sl. No	Station Particular	Norm
	generator shaft	
4	Underground hydroelectric power generating stations with static excitation system	1.2% of energy generated

The Hon'ble Commission in the Tariff Order for FY 2013-14 has approved auxiliary consumption and transformation losses as given below:

Table 4.6: Auxiliary Consumption and Transformation Loss Approved By the Commission

Name of the Plant	Auxiliary consumption (%)	Transformation losses** (%)
Umiam Stage I	0.7	0.5
Umiam Stage II	0.7	0.5
Umiam Stage III	0.7	0.5
Umiam Stage IV	1.0	0.5
Umtru	0.7	0.5
Sonapani	0.7	0.5
Leshka HEP	1.0*	0.5

* The Hon'ble Commission has not separately approved Auxiliary consumption and Transformation loss for Leshka HEP. However in the order for FY 2013-14, the Hon'ble Commission has specified that auxiliary consumption for Surface type with static excitation is 1% and Leshka HEP falls under this category.

** Also the Hon'ble Commission in its order for FY 2013-14 has mentioned that transformation losses from generation voltage to transmission voltage of 0.5% shall be accounted against transformation losses from the energy. The Auxiliary consumption and Transformation losses, as actual for MePGCL for FY 2013-14 are furnished below:

Table 4.7: Auxiliary Consumption and Transformation Loss Actual FY 2013-14

Name of the Plant	Auxiliary consumption (%)	Transformation losses** (%)
Umiam Stage I	0.8	0.5
Umiam Stage II	0.2	0.5
Umiam Stage III	0.2	0.5
Umiam Stage IV	0.2	0.5
Umtru	0.4	0.5
Sonapani	0.3	0.5
Leshka HEP	0.2	0.5

MePGCL has operated its plants efficiently and under the norms specified by the Hon'ble Commission and has been able to limit auxiliary consumption for plants in the limit set by the Hon'ble Commission in the tariff order for FY 2013-14.

4.2.7 Design Energy – Existing Generating Stations

The design energy for MePGCL power stations is provided in the table below:

Table 4.8: Design Energy Approved by the Commission

Name of Power Station	Design Energy (MU)
Umiam Stage I	116.29
Umiam Stage II	45.51
Umiam Stage III	139.4
Umiam Stage IV	207.5
Umtru	39.01
Mini Hydel (Sonapani)	5.5
Leshka HEP	486.23
Lakroh	11.01
Total	**1050.45**

4.2.8 Computation of Energy Generation - Existing Stations:

The computation of hydro power generation requires Design Energy, Capacity Index, Details of Reservoir levels, Head details, Past Availability details, features of the hydro power plants in terms of type of plant, type of excitation etc which are provided in the table below, for reference:

Table 4.9: MePGCL Plants Technical Details

Sl No	Particulars	Umtru	Umiam I	Umiam II	Umiam III	Umiam IV	Mini Hydel Sonapani	Leshka HEP
1	**Type of Station**							
A	Surface/ Under Ground	Surface	Surface	Surface	Surface	Surface	Surface	Surface
B	Purely RoR/ Pondage/ Storage	RoR	Storage	Power Channel (Pondage)	Pondage	Pondage	RoR	RoR
C	Peaking/ Non Peaking	Non Peaking	Non Peaking	Non Peaking	Non Peaking	Non Peaking	Non Peaking	Non Peaking
D	No of Hours Peaking	NA	NA	NA	NA	NA	NA	NA
E	Overload Capacity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	**Type of Excitation**							NA
A	Rotating exciters on Generator	Rotating exciters on Generator	Rotating exciters on Generator	Rotating exciters on Generator	Rotating exciters on Generator	NA	Rotating exciters on Generator	NA
B	Static Excitation	NA	NA	NA	NA	Static Excitation	NA	Static Excitation

The station-wise Net Generation Approved for FY 2013-14 and actual of MePGCL for FY 2013-14 are provided in the table below:

Table 4.10: Summary of Approved and Actual Net Generation FY 2013-14

Sl No	Approved by the Hon'ble Commission in Tariff Order for FY 2013-14						Actual MePGCL FY 2013-14				
	Name of the Power Station	Gross Generation (MU)	Aux Cons (%)	Transformation (%)	Aux Cons & Transformation Loss (MU)	Net Generation (MU)	Gross Generation (MU)	Aux Cons (%)	Transformation (%)	Aux Cons & Transformation Loss (MU)	Net Generation (MU)
1.	Umiam I	116.29	0.7	0.5	1.40	114.89	79.15	0.8	0.5	1.03	78.12
2.	Umiam II	45.51	0.7	0.5	0.55	44.96	41.32	0.2	0.5	0.29	41.03
3.	Umiam III	139.4	0.7	0.5	1.67	137.73	133.55	0.2	0.5	1.00	132.55
4.	Umiam IV	207.5	1.0	0.5	3.11	204.39	174.88	0.2	0.5	1.24	173.64
5.	Umtru Power Station	39.01	0.7	0.5	0.47	38.54	21.01	0.4	0.5	0.18	20.83
6.	Mini Hydel (Sonapani)	5.5	0.7	0.5	0.07	5.43	5.41	0.3	0.5	0.04	5.37
7.	Leshka HEP	486.23	1.0	0.5	5.83	480.40	413.24	0.2	0.5	3.03	410.22
8.	**Total**	**1039.44**			**13.10**	**1026.34**	**868.56**			**6.80**	**861.76**

4.3 Determination of Annual Fixed Charges

Petitioners' submission

4.3.1 Calculation Methodology

MePGCL has finalized its Audited Statement of Accounts for FY 2013-14. Based on the figures of the Audited Statement of Accounts, MePGCL has prepared comparison of AFC sub components for FY 2013-14 and arrived at net Gap of the AFC components.

MePGCL has considered Approved AFC components from Tariff Order FY 2013-14 for all existing Power plants except Leshka HEP. Since all the three units of Leshka HEP were in operation as on 1st April, 2013, MePGCL has also considered AFC components of Leshka HEP in this Truing up. However, since Lakroh HEP has not yet started commercial operations, it has not been included in the actual ARR figures proposed in this Truing up petition.

The Audited Statement of Account of MePGCL is consolidated one and the plant wise details are not available. However, the Commission had approved separate AFCs for the new plants i.e., Leshka HEP and Lakroh HEP in the Tariff Order for FY 2013-14.

As such, MePGCL, in this exercise, has calculated the approved ARR components of MePGCL as a whole using the segregated approved ARRs of the new plants and adding it to the approved ARR components of the old plants.

In this exercise, MePGCL has considered total ARR for Leshka as Rs. 135.54 Crore, as approved in the Tariff Order of FY 2013-14. Further, MePGCL has also considered approved Interest cost for Leshka HEP as Rs.72.95 Crore, as considered by the Commission in the Tariff Order for FY 2012-13. For the other AFC components, MePGCL has proportionately allocated rest of the approved AFC components of the Leshka HEP in different sub heads in the ratio of the AFC components of the existing plants and added those to approved AFC sub components of existing plants for FY 2013-14. Based on the Approved and estimated AFC components, MEPGCL has made comparison of its actual Expenses as per Audited statement of Accounts and Regulations and arrived at Gap/Surplus.

Further, as per the approach adopted by the Hon'ble Commission in the Tariff Order for FY 2013-14, MePGCL has considered equal proportion of AFC components of the holding company MeECL among the three successor companies i.e. 1/3rd each in MePGCL, MePTCL and MePDCL.

4.3.2 Components of Tariff

In accordance with the MSERC Tariff Regulations, 2011, the Tariff for supply of electricity from Hydro Power Generating Station shall comprise of two parts namely, Annual Capacity Charges and Energy Charges. Fixed charges shall be comprised of following components:

(1) Operation and Maintenance Expenses
(2) Interest on Loan Capital
(3) Interest on Working Capital
(4) Depreciation as may be allowed by the Hon'ble Commission
(5) Return on Equity as may be allowed by the Hon'ble Commission
(6) Taxes on Income.

4.3.3 Return on Equity:

The Commission has approved Return on Equity in the order for FY 2013-14 has mentioned in the table below including proportionate component of Leshka HEP.

Table 4.11: RoE Approved in FY 2013-14 (Rs. Crore)

Particulars	As approved by MSERC for Plants except Leshka HEP	Approved for Leshka HEP	Total
Return on Equity	9.43	10.12	19.55

As per Audited Statement of Accounts for MePGCL for FY 2013-14, the average equity base has been considered as Rs.680.41 Crore including pending allotment of Rs. 679.91 Crore. Based on this, MePGCL has calculated Return on Equity for FY 2013-14.

Table 4.12: RoE Summary for MePGCL in FY 2013-14 (Rs. Crore)

Particulars	Actual FY 2013-14 for MePGCL	Total MePGCL	Gap (-)/Surplus
Total Equity Amount including pending allotment	680.41		
Return on Equity (%)	14%	95.26	-75.71
Return on Equity	95.26		

4.3.4 Depreciation

The Commission, in the order for FY 2013-14 has allowed depreciation charges for Umiam IV and Sonapani Mini Hydel power stations as depreciable life cycle of other plants are completed. Along with the same, MePGCL has considered proportionate Depreciation component for Leshka HEP from its approved ARR by the Hon'ble Commission in the Tariff Order for FY 2013-14.

Table 4.13: Depreciation projected for FY 2013-14

(Rs. Crore)

Particulars	As approved by MSERC for Plants except Leshka HEP	Approved for Leshka HEP	Total
Umiam Stage IV	1.85	-	-
Sonapani	0.5	-	-
Total depreciation allowed for 2013-14	2.35	2.52	4.87

MePGCL has considered Depreciation for Plants whose useful life cycle is not over. In addition to that, MePGCL has considered Depreciation for Leshka HEP as it is in full capacity operation and achieved COD for all its three units. Also MePGCL has added one third of depreciation booked for MeECL in its Depreciation for FY 2013-14. The depreciation comparison as per Audited Statements of Account and the approved figures for FY 2013-14 are as summarized in the table below:

Table 4.14: Depreciation Summary FY 2013-14

(Rs. Crore)

<table>
<tr><th>Particulars</th><th>Approved by the Hon'ble Commission FY 2013-14</th><th>Actual FY 2013-14</th><th>Gap (-) / Surplus</th></tr>
<tr><td>Depreciation for MePGCL (existing plants)</td><td>2.35</td><td rowspan="2">66.35</td><td rowspan="4">-61.73</td></tr>
<tr><td>Depreciation for MePGCL (Myntdu Leshka)</td><td>2.52</td></tr>
<tr><td>Depreciation for MeECL</td><td>-</td><td>0.78</td></tr>
<tr><td>Total</td><td>4.87</td><td>66.61</td></tr>
</table>

4.3.5 Interest and Finance Charges

The Hon'ble Commission in the Tariff order for FY 2013-14 has not approved any Interest and Finance charges for MePGCL's existing plants. But for Leshka HEP the Hon'ble Commission has approved an Interest amount of Rs. 72.95 Crore in FY 2012-13. MePGCL has considered the same amount as approved Interest to be paid for Leshka HEP in FY 2013-14.

As per Audited Statements of Accounts for FY 2013-14, MePGCL has incurred Interest expense and associated Finance charges of Rs. 98.34 Crore. The summary of Interest and Finance charge approved in FY 2013-14 and actuals is shown in the table below:

Table 4.15: Interest and Finance Charges Summary

(Rs. Crore)

Particulars	Approved by the Hon'ble Commission FY 2013-14 including Leshka HEP	Actual FY 2013-14 for MePGCL	Actual FY 2013-14 for MeECL	Total MePGCL FY 2013-14	Gap (-) /Surplus
Interest and Finance Charges	72.95	98.34	0.02	98.35	-25.40

4.3.6 Operation & Maintenance Expenses

The Hon'ble Commission has approved total O&M expense for MePGCL for FY 2013-14 as Rs.44.20 Crore including O&M cost for Sonapani Mini Hydel of Rs. 0.27 Crore. However, the break-up of O&M heads for Sonapani are not available in the Tariff Order for FY 2013-14. For Truing up purpose, MePGCL has segregated O&M expense of Sonapani into sub heads proportionately with the approved O&M sub heads of other existing power plants as given in the Tariff Order for FY 2013-14. The details of the approved expenses has been tabulated below:

Table 4.16: O&M Expenses approved in FY 2013-14 (Rs. Crore)

Particulars	As approved by MSERC except Sonapani FY 2013-14	Approved for Sonapani	Total MePGCL except Leshka HEP	Approved for Leshka HEP	Total
R & M expenses	7.35	0.05	7.40	7.94	15.33
Employees cost	35.02	0.22	35.24	37.81	73.05
A & G cost	1.55	0.01	1.56	1.67	3.23
Total O&M Cost	**43.93**	**0.27**	**44.20**	**47.43**	**91.63**

For Truing up, the actual O&M expenses for MePGCL works out to be Rs.67.54 Crore, including the apportioned O&M cost for MeECL.

The Hon'ble Commission has approved Rs.7.40 Crore for MePGCL's existing plants as R&M cost for FY 2013-14. After adding the R&M cost for Leshka HEP, the total approved amount comes out to be Rs.15.33 Crore. However actual R&M cost for FY 2013-14 is Rs.6.33 Crore, which helps it to realize a surplus of Rs.9.00 Crore in

FY 2013-14 under R&M expenses.

MePGCL had 901 numbers of Employees at the end of FY 2013 which was reduced to 871 by the end of FY 2014 due to retirements. As such, the employee cost in FY 2013-14 for MePGCL was Rs.55.66 Crore including employee cost of MeECL. This figure indicates a surplus of Rs.17.38 Crore over the approved amount of Rs.73.05 Crore approved in the Tariff Order for FY 2013-14 as shown above.

The Hon'ble Commission had approved A&G cost for FY 2013-14 as Rs.1.56 Crore for existing plants and for Leshka HEP, the A&G Expenses have been derived as Rs.1.67 Crore. As such, the total approved A&G expenses for MePGCL works out as Rs.3.23 Crore. The actual A&G cost for FY 2013-14 is Rs.4.38 Crore and the same for MeECL is Rs.3.50 Crore. Including the proportionate component of MeECL, total A&G cost actual for FY 2013-14 is Rs.5.54 Crore which indicates a gap of Rs.2.31 Crore from the approved value of FY 2013-14.

Table 4.17: Comparison of O&M Expenses

(Rs. Crore)

Particulars	Approved by the Hon'ble Commission FY 2013-14	Actual FY 2013-14 for MePGCL	Actual FY 2013-14 for MeECL	Total MePGCL	Gap (-)/ Surplus
R&M expenses	15.33	6.27	0.17	6.33	9.00
Employees cost	73.05	52.99	8.03	55.66	17.38
A&G cost	3.23	4.38	3.50	5.54	-2.31
Total O&M Cost	**91.63**	**63.64**	**11.71**	**67.54**	**24.09**

The overall O&M figure of MePGCL for FY 2013-14 as per the Audited Statement of Accounts indicates a surplus of Rs.24.09 Crore over the approved value of the Hon'ble Commission in the Tariff Order for FY 2013-14.

4.3.7 Interest on Working Capital:

The Interest on working capital approved by the Hon'ble Commission for FY 2013-14 is as summarized below:

Table 4.18: Interest on Working Capital (Rs. Crore)

Particulars	Total MePGCL except Leshka HEP	Approved for Leshka HEP	Total
Amount of interest on working capital for FY 2013-14	1.88	2.02	3.90

MePGCL has followed the methodology as shown below as per the regulation for calculation of Interest on Working Capital for FY 2013-14. Working Capital shall cover:

1. Operation and Maintenance expenses for one month;
2. Maintenance spares at the rate of 15% of operation and maintenance expenses
3. Receivables equivalent to two months of fixed cost.

The Rate of interest on working capital has been taken as the short-term Prime Lending Rate of State Bank of India as on 1st April of FY 2013-14.

Table 4.19: Interest on Working Capital

(Rs. Crore)

Particulars	Total	Gap (-)/ Surplus
Operation and Maintenance Expense for One Month	5.63	**-6.78**
Maintenance Spare at 15% O&M	10.13	
Two Months Receivable of ARR	56.62	
Working capital required for FY 2013-14	72.38	
Rate of interest (%)	14.75%	
Amount of interest on working capital for FY 2013-14	**10.68**	

4.3.8 Connectivity and SLDC charges:

The Connectivity and SLDC charges approved by the Hon'ble Commission for FY 2013-14 are as summarized below. The Commission in its Tariff Order for FY 2013-14, has fixed SLDC charges for Leshka HEP Rs.0.50 Crore.

Table 4.20: SLDC Charges Approved

(Rs. Crore)

Particulars	Total MePGCL except Leshka HEP	Approved for Leshka HEP	Total
SLDC charges for Umiam Stage I	0.15	-	1.28
SLDC charges for Umiam Stage II	0.085	-	
SLDC charges for Umiam Stage III	0.25	-	
SLDC charges for Umiam Stage IV	0.25	-	
SLDC charges for Umtru	0.04	-	
SLDC charges for Sonapani	0.005	-	
Total	**0.78**	**0.50**	

However as per audited statement of accounts, SLDC charges of MePGCL is Rs. 1.31 Crore based on the SLDC order of FY 2013-14 passed by the Commission.

Table 4.21: Comparison of SLDC Charges (Rs. Crore)

Particulars	Approved by the Commission FY 2013-14	Actual FY 2013-14 for MePGCL	Actual FY 2013-14 for MeECL	Total	Gap (-) /Surplus
SLDC charges	1.28	1.31	0.00	1.31	-0.03

4.3.9 Misc. Expense, Bad Debts and other misc. written off

The Hon'ble Commission has not approved any amount under this head in the Tariff Order for FY 2013-14. However as per Audited Statement of Account, MePGCL has arrived on figures given in the table below for Misc. Expense, Bad Debts and other misc. written off including the proportionate value of the same for MeECL.

Table 4.22: Comparison of misc. Expense, bad debts and other misc. written off charges (Rs. Crore)

Particulars	Approved by the Hon'ble Commission FY 2013-14	Actual FY 2013-14 for MePGCL	Gap(-)/ Surplus
Miscellaneous expenses, bad debts etc.	0.00	0.01	-0.01

4.3.10 Prior Period Items

The Hon'ble Commission has not approved any amount for Prior Period Expense for MePGCL in the Tariff Order for FY 2013-14. According to Audited Statement of Accounts, MePGCL and MeECL both has incurred some Prior period Items details of which has been summarized below:

Table 4.23: Prior Period Items (MePGCL)

Expenses	**MePGCL**
Employee costs	0.49
Depreciation under provided in previous year	0.65
Interest & Other Finance Charges	0.00
Others	11.24
Total Prior Period Expense	**12.38**
Incomes	
Other excess provision	0.94
Total Prior Period Income	**0.94**
Total (Expense)	**11.44**

Prior Period Items (MeECL)	
A. Income Relating to Previous Years	**MeECL**
Other excess provision & Other Income	0.780
Total	**0.780**

B. Prior Period Expenses/Losses	
Employee costs	0.039
Administrative Expenses	0.004
Total	**0.043**
Total	**0.737**

After considering proportionate components for MeECL, the total prior period expense for MePGCL comes out at as Rs. 11.69 Crore for FY 2013-14.

Table 4.24: Prior Period Items (Rs. Crore)

Particulars	Approved by the Hon'ble Commission FY 2013-14	Actual FY 2013-14 for MePGCL	Actual FY 2013-14 For MeECL	Total	Gap (-)/ Surplus
Prior period expenses	0.00	11.44	0.74	11.69	-11.69

4.3.11 Non-Tariff Income

The Hon'ble Commission has not approved any amount as Non-Tariff Income in the Tariff Order for MePGCL for FY 2013-14. However as per Audited Statement of Accounts, MePGCL has earned Non- Tariff Income as mentioned below:

Table 4.25: Non Tariff Income (Rs. Crore)

Particulars	Approved by the Commission FY 2013-14	Actual FY 2013-14 for MePGCL	Actual FY 2013-14 for MeECL	Total	Gap (-)/ Surplus
SLDC charges	0.00	1.25	13.03	5.60	5.60

4.3.12 Summary of Annual Fixed Charges

The summary of Annual fixed charges approved by the Hon'ble Commission for existing generating stations is given below. As stated above, the total approved ARR of Leshka HEP has been allocated among various components of AFC in the manner shown below:

Table 4.26: Summary of Annual Fixed Charges Approved by the Commission FY 2013-14
(Rs. Crore)

Particulars	ARR Existing Plants	ARR For Leshka	Total ARR
O & M expenses	44.2	47.43	91.63
Depreciation	2.35	2.52	4.87
Interest on Loan	0	72.95	72.95
Interest on working capital	1.88	2.02	3.90
Return on Equity	9.43	10.12	19.55
Income Tax	0	0.00	0.00
SLDC charges	0.78	0.50	1.28
Misc. Expense, Bad Debts and other misc. written off		0.00	0.00

Particulars	ARR Existing Plants	ARR For Leshka	Total ARR
Prior Period Items	0	0.00	0.00
Total ARR	**58.64**	**135.54**	**194.18**
Less: Non-Tariff Income	0	0	0.00
Net ARR	**58.64**	**135.54**	**194.18**

Based on the above mentioned consolidated approved figures for MePGCL, a comparison of actual audited figures is done with the approved figures under relevant heads, which is tabulated below:

Table 4.27: Comparison of Summary of Annual Fixed Charges for FY 2013-14 (Rs. Crore)

Particulars	As approved by MSERC	Actuals FY 2013-14			Gap(-) /Surplus
	Total ARR	MePGCL	MeECL	Total Including MeECL	
O & M expenses	91.63	63.64	11.71	67.54	24.09
Depreciation	4.87	66.35	0.78	66.61	-61.73
Interest on Loan	72.95	98.34	0.02	98.35	-25.40
Interest on working capital	3.90	10.43	0.73	10.68	-6.78
Return on Equity	19.55	95.26	0.00	95.26	-75.71
Income Tax	0.00	0.00	0.00	0.00	0.00
SLDC charges	1.28	1.31	0.00	1.31	-0.03
Misc. Expense, Bad Debts and other misc. written off	0.00	0.00	0.02	0.01	-0.01
Prior Period Items	0.00	11.44	0.74	11.69	-11.69
Total ARR	**194.18**	**335.33**	**13.25**	**351.43**	**-157.25**
Less Non Tariff Income	0.00	1.25	13.03	5.60	5.60
Net ARR	**194.18**	**334.07**	**0.22**	**345.83**	**-151.65**

MePGCL requested the Commission to pass through gap of Rs. 151.65 Crore. It is submitted here that since the Commission had not provided the target for each component of AFC for MePGCL and allowed the total AFC of new plants on provisional basis, MePGCL has not calculated the gain and loss for each component of AFC as per MSERC Tariff Regulations 2011. In other words, the difference in each of the component, both surplus and gap, has been proposed to be passed entirely to the consumers, for FY 2013-14.

4.4 Commission's Analysis, Scrutiny and Conclusion for True-up of FY 2013-14

As per the Reg 15 of MSERC Regulations 2011, the Licensee (MePGCL) were to submit the petition for true up of business carried out during FY 2013-14 by 30.09.2014. Whereas the Petitioner has submitted the True-up petition on 05.02.2016.

The Commission considered the delay in filing of the True up petition, keeping in view of the fact of further delay in processing of the ARR and determination of Tariff for FY 2016-17. The Commission took up the processing of petition to ensure issue of Generation Tariff Orders on 30.03.2016 effective from 01.04.2016, without subjecting the beneficiaries i.e., MePDCL for arrears recovery from the consumers on account of possible delay in enforcing the new Tariff.

4.5 Energy Quantum & Charges

In the Tariff Order dated 30.03.2013 the Commission had approved the energy charges based on the following:

a) The Energy charges shall be payable for the total energy scheduled to be supplied to the beneficiary at the energy charges rate. The energy charges payable shall be calculated in the following manner:

   Total energy charges = energy rate in Rs. unit x scheduled energy ex bus x (100-free energy if any) /100

b) Energy charges rate shall be determined as per the following formula

   ECR = AFC x 0.5 x 10/ (DE x (100-AUX) x (100-FEHS) Where:

   DE = Annual Designed Energy

   FEHS = Free Energy for Home State

   ECR = Energy Charges Rate in Rs. Per unit

   AFC = Annual Fixed charges

   AUX = Auxiliary Consumption

c) In case actual energy generated during a year is less than designed energy for reasons beyond control of the company the adjustments shall be made in accordance with the regulation.

d) The SLDC shall finalise the schedule for generating station in consultation with the distribution licensee for optimal utilisation of all the energy declared to be available.

The Commission has not allowed proposal of norms of operation without a proper study. Accordingly, 50% of annual fixed charges are paid on monthly basis subject to availability of the machine verified by SLDC and remaining 50% of AFC shall be paid on generation basis. This will protect the interest of generating company as well as motivate them to maximise their generation.

4.6 Norms of operation

The norms of operation shall be as under:

a) Normative annual plant availability factor (NAPAF)

i) Storage and pondage types plant where plant availability is not affected by silt –90%.

ii) Pondage type plant where plant availability is significantly affected by silt – 85%.

iii) Run of the river type plant – NAPF to be determined based on 10 days designed data based on the past experienced.

iv) It is also provided in the regulation that the Commission may allow further 5% keeping in view the difficulties in North East Region.

b) Auxiliary Energy Consumption:

i) Surface hydro stations with rotating exciters- 0.7%

ii) Surface type with static excitation-1%

c) Transformation losses: From generation voltage to transmission voltage 0.5% shall be accounted against transformation losses from the energy generated.

d) Connectivity and SLDC charges: Regulation 61 provides that these charges as determined by the Commission shall be considered as expenses.

e) Other Income: All income other than income from sale of energy shall be considered while determining the AFC.

The Commission has not taken any view on the computation of normative annual plant availability factor (NAPAF) of all generating stations without knowing the technical details of each plant duly verified. For the purpose of capacity charges, the Commission has approved recovery of fixed charges on the basis of plant availability each month. During the public hearing, several objections were filed regarding relaxation in NAPAF without conducting a detailed examination of the machines, hydrology and difficulties faced by MePGCL in running their plants. The MePGCL had submitted a study as directed by the Commission. However, the report has not covered the full information on which NAPAF of each unit could have been decided.

Accordingly, the Commission shall take a final view on designed energy and NAPAF after examination, deliberation and consultation with the stakeholder's. Till such time, the present arrangement shall continue with the condition that SLDC shall issue certificate for fitness of each machine every month for payment of Capacity Charges.

4.7 Interim tariff for new projects

In accordance with the regulation 47 of MSERC (Terms and Conditions for Determination of Tariff) Regulations 2011 which requires for a new generating station a generating company shall file petition for determination of provisional tariff based on the capital expenditure actually incurred upto the date of making the petition duly audited and certified by statutory auditors and the provisional tariff shall be charged from the date of commercial operation. Similarly, for final tariff of a generating station shall be filed after the date of commercial operation duly certified by a statutory auditor based on annual audited accounts. At present, the MLHEP has a provisional tariff subject to determination of final Tariff. The Commission has already required MePGCL to file statutory auditor report, certificate of C&AG for Financial Statements of Accounts along with the deficiencies in the Technical Report and Investigation Report as communicated vide Letter 26.08.2015.

Based on the above approach the capacity and energy charges, plant wise for the existing stations were approved as follows:

Table 4.28: Plant Wise for Existing Stations

Sl. No	Name of Power Station	Design Energy (MU)
1	Umiam Stage I	116.29
2	Umiam Stage II	45.51
3	Umiam Stage III	139.40
4	Umiam Stage IV	207.50
5	Umtru	39.01
6	Mini Hydel (Sonapani)	5.50
7	Leshka HEP	486.23
8	Lakroh	11.01
	Total	**1050.45**

Against the above the MePGCL submitted the actual of generation of each plant as follows:

Table 4.29: Summary of Approved and Actual Net Generation FY 2013-14

Sl. No	Name of the Power Station	Approved by the Commission in TO for FY 2013-14					Actual MePGCL FY 2013-14				
		Gross Generation (MU)	Aux Cons (%)	Transformation (%)	Aux Cons & Transformation Loss (MU)	Net Generation (MU)	Gross Generation (MU)	Aux Cons (%)	Transformation (%)	Aux Cons & Transformation Loss (MU)	Net Generation (MU)
1	Umiam I	116.29	0.7	0.5	1.40	114.89	79.15	0.8	0.5	1.03	78.12
2	Umiam II	45.51	0.7	0.5	0.55	44.96	41.32	0.2	0.5	0.29	41.03
3	Umiam III	139.40	0.7	0.5	1.67	137.73	133.55	0.2	0.5	1.00	132.55
4	Umiam IV	207.50	1.0	0.5	3.11	204.39	174.88	0.2	0.5	1.24	173.64
5	Umtru Power Station	39.01	0.7	0.5	0.47	38.54	21.01	0.4	0.5	0.18	20.83
6	Mini Hydel (Sonapani)	5.50	0.7	0.5	0.07	5.43	5.41	0.3	0.5	0.04	5.37
7	Leshka HEP	486.23	0.7	0.5	5.83	480.40	413.24	0.2	0.5	3.03	410.22
	Total	**1039.44**			**13.10**	**1026.34**	**868.56**			**6.80**	**861.76**

Commission's analysis and approvals

The Commission has allowed AFC and Energy Charges. Projected Generation of energy was approved at 1039.44 MU. The actual generation achieved by the Licensee was 868.56 MU, whereby 170.88 MU was short generated. The Energy Charges shall be eligible to be claimed from MePDCL to the extent of actual generation.

The actual gross generation is approved after due validation. The auxiliary consumption is much below the norms (as approved) for all the stations, except for Umiam-I, the actual auxiliary consumption is 0.8% against 0.7% approved. Considering the approved auxiliary consumption for Umiam-I station, the net generation approved for FY 2013-14, station wise as follows, for true-up purpose. Actual generation approved for true up of FY 2013-14.

Table 4.30: Actual Generation for 2013-14

Sl. No	Name of the Power Station	Actual MePGCL FY 2013-14				
		Gross Generation (MU)	Aux Cons (%)	Transformation (%)	Aux Cons & Transformation Loss (MU)	Net Generation (MU)
1	Umiam I	79.15	0.8	0.5	1.03	78.12
2	Umiam II	41.32	0.2	0.5	0.29	41.03
3	Umiam III	133.55	0.2	0.5	1.00	132.55
4	Umiam IV	174.88	0.2	0.5	1.24	173.64
5	Umtru Power Station	21.01	0.4	0.5	0.18	20.83
6	Mini Hydel (Sonapani)	5.41	0.3	0.5	0.04	5.37
7	Leshka HEP	413.24	0.2	0.5	3.03	410.22
	Total	**868.56**			**6.80**	**861.76**

The Interim Tariff for new project MLHEP was considered on the projected Designed energy of 486.23 MU against which actual generation achieved was 413.24 MU.

4.8 Fixed Charges

4.8.1 Operational and Maintenance Expenses

MePGCL has claimed O&M Expenses for True up for FY 2013-14 as detailed in the Table below:

Table 4.31: O&M expenses claimed by MePGCL

Particulars	Approved by MSERC except sona pani for FY 2013-14	Approved for Sona Pani	Actuals as per Audited Accounts	Claimed by MePGCL
R&M Expenses	7.35	0.05	6.53	15.33
Employee Cost	35.02	0.22	55.67	73.05
A&G Expenses	1.55	0.01	5.34	3.23
Total	**43.92**	**0.27**	**67.54**	**91.63**

Commission's analysis

As per Regulations of MSERC the O&M expenses shall be reviewed based on the actuals as per the Audited Accounts for the year. MePGCL has claimed Rs. 91.63 Crore including O&M Expenses of Leshka Project at Rs. 47.43 Crore which includes Employee Cost for MLHEP at Rs. 37.81 Crore. It is stated by the Petitioner that actual expenditure for True up are Rs. 67.54 Crore including 1/3rd share of MeECL.

The Commission had not approved the O&M costs in the Tariff Orders as submitted by the MePGCL for MLHEP specifically. Assumptions of MePGCL need to be clarified. The audited account shows around Rs. 64 Crore for O&M expenses which includes Leshka Project. Since, the Commission has not segregated the ARR for Leshka Project in this Order, it would be prudent to exclude the O&M cost for Leshka Project which is already included in the Interim Tariff.

As per Regulations, the O&M cost for the Leshka project at normative figures will be around Rs. 15 Crore. However, since the final determination of the Tariff has not been done so far, the Commission shall reduce the amount as reflected in the balance sheet for O&M expenditure of the Leshka Project. However, the Commission considers the actual O&M expenses are unavoidable and approves as per audited statement of accounts for FY 2013-14 as given below:

Table 4.32: O&M Expenses approved by the Commission excluding Leshka

(Rs. Crore)

Particulars	For MePGCL	As proposed by MePGCL including Leshka	Approved by the Commission
R&M Expenses	7.35	6.53	6.53
Employee Cost	35.02	55.66	40.66
A&G Expenses (excld. SLDC charges)	1.55	5.34	5.34
Total	**43.93**	**67.54**	**52.54**

The Commission approves Rs. 52.54 Crore as O&M expenses as detailed above, considering capitalisation of Rs. 7.28 Crore for True up of FY 2013-14.

4.8.2 Return on Equity

The Petitioner has claimed RoE at Rs. 95.26 Crore for all the projects under of FY 2013-14 for True up of FY 2013-14 as below:

Table 4.33: Return of Equity claimed by MePGCL

(Rs. Crore)

Particulars	Actual FY 2013-14 for MePGCL	Total MePGCL	Gap (-) /Surplus
Total Equity Amount including pending allotment	680.41	95.26	-75.71
Return on Equity (%)	14%		
Return on Equity	95.26		

Commission's Analysis

Since the State Government has not allocated the assets to Individual Companies under transfer scheme, the Commission had considered the GFA at Rs. 286.49 Crore in the Tariff Order for FY 2013-14 and equity being 30% allowed as Rs. 85.95 Crore and return on equity approved in the Tariff order at Rs. 9.43 Crore for FY 2013-14. GoM has notified transfer of Assets and Liabilities and share capital vide 4th Amendment on 29.04.2015.

As per the audited statement of accounts for FY 2013-14, subscribed and fully paid up equity is Rs. 5.00 Lakh (Note 2). As per note 3 of Audited Statement of Accounts equity capital pending allotment is Rs. 690.55 Crore which cannot be considered for equity allowance. As considered in the Commission's Order dated 12.11.2015, admissible RoE will be regulated after filing of additional data.

The Commission had approved Return on Equity at Rs. 9.43 Crore in the Tariff Order of FY 2014-15 considering the equity held with the unbundled utility (MeSEB/MeECL) at Rs.202 Crore divided equally among all three utilities.

The Commission, therefore, approves RoE at Rs. 9.43 Crore for True up of FY 2013-14 as in the Tariff Order for FY 2013-14.

4.8.3 Depreciation

Petitioner's submission

MePGCL has claimed Rs. 66.61 Crore as Depreciation including the GFA of MLHEP and 1/3rd share of MeECL for True up for FY 2013-14 as below:

Table 4.34: Depreciation Summary as claimed for FY 2013-14

<table>
<tr><th>Particulars</th><th>Approved by the Hon'ble Commission FY 2013-14</th><th>Actual FY 2013-14</th><th>Gap(-)/ Surplus</th></tr>
<tr><td>Depreciation for MePGCL (existing plants)</td><td>2.35</td><td rowspan="2">66.35</td><td rowspan="4">-61.73</td></tr>
<tr><td>Depreciation for MePGCL (Myntdu Leshka)</td><td>2.52</td></tr>
<tr><td>Depreciation for MeECL</td><td>-</td><td>0.78</td></tr>
<tr><td>Total</td><td>4.87</td><td>66.61</td></tr>
</table>

Commission's Analysis

The Commission had approved Depreciation for only Umiam-IV stage and Sona Pani for which project life was not completed. Depreciation is allowed at 5.28% in the Tariff Order for FY 2013-14.

The cost of the project for Umiam-IV was considered at Rs. 38.79 Crore and Sona Pani (1.5 MW) at Rs. 10.60 Crore. The Commission allowed Rs. 2.35 Crore in the Tariff Order of FY 2013-14.

As per the Audited Statement of Accounts for FY 2013-14, the MePGCL has projected opening GFA at Rs. 1545.28 Crore on 01.04.2013.

The GFA as on 31.03.2013 was only Rs. 303.80 Crore. The GFA as on 01.04.2013 includes cost of old projects whose life was completed, except Umiam Stage-IV and Sona Pani Project cost at Rs. 49.39 Crore.

The Commission had held that the capital cost of two (2X42 MW) units of MLHEP was approved by CEA at Rs. 363.08 Crore. MePGCL has submitted a Petition on 14th August, 2015 proposing a capital cost of Rs. 1286.53 Crore for MLHEP (3X42 MW). The Commission with reference to the Petition of MePGCL on MLHEP dated 14.08.2015 held that the capital cost would be considered on submission of the report of the Technical Committee appointed by GoM, Audit report issued by C&AG,

Report of Cost Verification, Capital Loans, additional data of CEA for TEC/Statutory Clearances and equity clarification etc. vide Commission's letter dated 26.08.2015. But the additional information is still awaited.

As per the audited statement of Accounts for FY 2013-14, MePGCL has infused GFA of Rs. 1241.48 Crore without approval of the Commission. No disclosure of the above effect was made in the notes to the financial statement.

The Commission, therefore, does not consider the depreciation as given in the audited statement of accounts as it contains assets related to Leshka. The Commission is of the view that without determination of the final ARR of Leshka project, it would not be reasonable to combine the ARR of old projects and Leshka project for which separate orders were issued. For true up exercise, the principle is to compare the actual cost as per audited accounts with the approved amount for each head separately and if there is a gap, the Commission shall consider it after prudence check. Since there is no break up done for the Leshka project as the ARR of the same is not determined so far, the comparison cannot be made with the actuals and approved figures. Until and unless, petition for Leshka Projects for final determination of Tariff after meeting the Commission's directive is filed, the Commission at this stage is not changing the depreciation allowed in the Tariff Order for FY 2013-14.

The Commission approves the Depreciation at Rs. 2.35 Crore for True up of FY 2013-14.

4.8.4 Interest on working capital

MePGCL has claimed Interest on Working Capital at Rs. 3.90 Crore including MLHEP of Rs. 2.02 Crore for True up of FY 2013-14.

Commission's Analysis

The Commission had approved Rs.1.88 Crore towards working capital for FY 2013-14.

The Commission as per the Regulations, 56(2) considered allowable interest on working capital on normative basis as given in the Table below:

Table 4.36: Interest on Working Capital

(Rs. Crore)

S. No.	Particulars	Earlier Approved by the Commission	True-up, As per statement of accounts
1	O&M Expenses for one month	3.68	4.38
2	Maintenance Spares at 15% of O&M Expenses	6.63	7.88
3	Receivables for two months of AFC	9.77	9.46
4	Working Capital Requirement	20.08	21.72
5	**Interest at 14.75%**	**2.96**	**3.20**

The Commission approves Interest on Working Capital at Rs. 3.20 Crore for True up of FY 2013-14.

4.8.5 Interest and finance Charges

MePGCL has claimed Rs. 98.35 Crore towards interest and finance charges for MLHEP for FY 2013-14.

Commission's Analysis

The Commission in the Tariff Order for FY 2013-14 had not considered Interest and Finance Charges on existing old projects which were depreciated.

The Commission had used an indicative figure for Interest and Finance Charges for MLHEP for FY 2012-13 at Rs. 72.95 Crore for the purpose of meeting the liabilities of the corporation and it should not be taken as any approval for the same. The Commission had approved Interim Tariff for Leshka Project. The Commission held that the Interim Tariff at Rs.2.83/kWh will provide Revenue to MePGCL during FY 2013-14 at Rs. 135.54 Crore subject to condition that it generated designed energy in FY 2013-14.

As per Regulation 54, read with Regulation 51 and the information made available in the statement of accounts, Interest and Finance Charges admissible is drawn in the Table below:

Table 4.37: Interest and Finance Charges

(Rs. Crore)

Particulars	Opening Balance	Additions for FY 2013-14	Repayments in FY 2013-14	Closing Balance	Interest Charges
13.55% Federal Bank	56.70	-	20.99	35.71	6.27
12.75% Central Bank of India	64.84	-	8.33	56.51	7.74
13.14% PFC Loan	168.31	36.64	-	204.95	24.52
11.40% BSE Power Boards – II	50.00	-	-	50.00	5.70
9.95% BSE Power Boards – I	120.00	-	-	120.00	11.94
11.07% REC Restructured loan	253.04	-	-	253.04	28.01
1.30% OECF loan for Umiam Stage-I for Renovation and Modernisation	13.77	-	-	13.77	0.18*
1.30% JBIC loan for Umiam Stage-II for Renovation and Modernisation	11.28	-	-	11.28	0.15*
Total	**737.94**	**36.64**	**29.32**	**745.26**	**84.51**

Looking at the information as given in the Table above, the Liability towards Leshka will be around Rs. 80 Crore in FY 2013-14 which is more or less meeting within the budget given to Leshka in the Interim Tariff Order for FY 2013-14. Accordingly, the Commission allows Rs. 0.33 Crore as against 'nil' claim.

***The Commission considers Interest and Finance Charges at Rs. 0.33 Crore for old stations for True up of FY 2013-14.**

4.8.6 SLDC Charges

MePGCL has claimed Rs. 1.31 Crore towards SLDC Charges at actual for True up of FY 2013-14.

Commission's Analysis

The Commission had approved SLDC Charges at Rs. 0.78 Crore for old stations and Sona Pani as per the audited statement of accounts for FY 2013-14. MePGCL had made payment to MePTCL at Rs. 1.31 Crore (Note 21 A&G Expenses).

The Commission approves Rs. 1.31 Crore at actual for FY 2013-14 as SLDC Charges.

4.8.7 Miscellaneous Expenses and Bad Debts etc.,

The Commission had not considered Miscellaneous Expenses and Bad Debts etc., in the Tariff Order but MePGCL has claimed Rs. 0.01 Lakh under True up. **The Commission has not considered any value on this account.**

4.8.8 Prior Period Items

MePGCL has claimed Rs. 11.69 Crore under Prior Period Items.

Commission's Analysis

The Commission had not approved the Prior Period Item in Tariff Order for FY 2013-14. Even in True up petition, the Petitioner has not provided the details of such expenses and the period to which the expenses/income relates to etc. **Hence, the Commission has not considered the Prior Period Item.**

4.8.9 Non Tariff Income

MePGCL has submitted that Non Tariff Income is received at Rs. 1.25 Crore and 1/3rd share from MeECL for Rs. 4.34 Crore.

Commission's Analysis

As per the Audited Accounts (Note 17 other Income) Rs. 0.66 Crore received as other income for MePGCL, 1/3rd share of other income being reported from MeECL is Rs. 3.81 Crore excluding Revenue Grant apportioned to MePDCL for Rs. 1.59 Crore.

The Commission approves Rs. 4.47 Crore as Non Tariff Income for True up of FY 2013-14.

Summary of Annual Fixed Charges

Table 4.38: Comparison of summary of Annual Fixed Charges approved by the Commission

S. No.	Particulars	Approved Tariff Order	As per MePGCL	Approved under true up
1	O&M Expenses	44.20	67.54	52.54
2	Depreciation	2.35	66.61	2.35
3	Interest on Loan capital	-	98.35	0.33
4	Interest on working capital	1.88	10.68	3.20
5	Return on Equity	9.43	95.26	9.43
6	SLDCL Charges	0.78	1.31	1.31
7	**Total Annual Fixed Cost**	**58.64**	**339.75**	**69.16**
8	Less: Non Tariff Income	-	5.60	4.47

S. No.	Particulars	Approved Tariff Order	As per MePGCL	Approved under true up
9	**Net ARR**	**58.64**	**334.15**	**64.69**
10	Less: Revenue from Generation activities	170.38	170.38	53.43
11	**Gap/(Surplus)**			**11.26**

4.8.10 Revenue from Sale of Power

MePGCL has not furnished Revenue received from Generation activities during FY 2013-14.

Commission's Analysis

As per statement of accounts vide Note 16, Revenue from sale of power from MePDCL received at Rs. 170.38 Crore. The revenue is computed at Rs. 53.43 Crore excluding revenue from Interim Tariff of Leshka for its actual generation.

The Commission approves revenue from sale of power from MePGCL excluding Leshka at Rs. 53.43 Crore for True up of FY 2013-14. The Commission has allowed the recovery of AFC to MePGCL keeping in view the conditions of their aging plants and to make them financially sustainable. However, the same shall be reviewed at the time of final True up considering availability of the water and plant.

4.8.11 Net ARR and Gap/(Surplus)

The Commission has considered and approved Net ARR for True up of FY 2013-14 for Rs. 64.69 Crore as against Tariff Order of Rs. 58.64 Crore.

Table 4.39: Net ARR and Gap/Surplus for FY 2013-14

(Rs. Crore)

S. No.	Particulars	Amount
1	Net ARR for the FY 2013-14	64.69
2	Revenue received during the FY 2013-14	53.43
3	**Gap**	**11.26**

MePGCL has received Income from Generation activity for Rs. 53.43 Crore resulted in a Gap Rs. 11.26 Crore which will be appropriated in FY 2016-17.

The Commission has considered the above true up of FY 2013-14 for MePGCL for all its plants excluding Leshka Project. This Order shall be treated as Interim Order in view of the fact that MePGCL has not furnished the audited accounts with the supplementary audit report by C&AG. For Leshka project, the final Tariff Determination shall be done after filing of petition along with required documents as communicated by the Commission vide letter dated 26.08.2015. The Commission directs MePGCL to file the petition at the earliest. The true up of Leshka Project shall be done thereafter.

Gap now approved, however, will be factored in determining ARR and Tariff for FY 2016-17 and a final approval will be considered on submission of C&AG audit report and necessary adjustments will be carried out in the next filing.

5. Provisional True up for FY 2014-15

5.1 Provisional True up for 2014-15

Petitioner's Submission

MePGCL has prepared Statement of Accounts of FY 2014-15 and the same has been approved by the Board of Directors. However, the same has not been audited and the process of audit is in progress. Based on the available provisional Statement of Accounts, MePGCL has arrived at actual ARR components for FY 2014-15 and compared the same with approved ARR cost by the Commission for FY 2014-15.

The Tariff order of FY 2014-15 has ARR components for existing power plants of MePGCL except Leshka HEP. MePGCL has filed the ARR petition separately for Leshka HEP on 20th January 2014, which was disposed of by the Commission on 10th April 2014. In that Order dated 10.04.2014, the Commission has passed that the ARR for Leshka HEP in FY 2014-15 would be considered same as that approved in FY 2013-14. The same was approved on provisional basis in absence of independent study and technical validation.

As such, for provisional Truing up for FY 2014-15, MePGCL has adopted the same approach as followed in the Truing up of FY 2013-14. MePGCL considered Interest and Finance Charge for Leshka HEP as same as approved in FY 2012-13 and proportionately divided the remaining ARR in other components in the ratio of the approved ARR components of old plants for FY 2014-15. In addition to that, to arrive at actual ARR, MePGCL has included equal proportion of ARR for MeECL in to its ARR.

MePGCL hereby, humbly requests the Commission to pass the Gap/Surplus, as shown below, regarding the provisional Truing up of FY 2014-15 for revision of Generation Tariff for FY 2016-17.

Table 5.1: Comparison of Summary of Annual Fixed Charges FY 2014-15

(Rs. Crore)

Particulars	As approved by MSERC	Actuals FY 2014-15			Gain/ (Loss)
	Total ARR	MePGCL	MeECL	Total Including MeECL	
O & M expenses	99.43	43.96	93.05	74.98	24.45
Depreciation	8.13	67.13	0.67	67.35	-59.22
Interest on Loan	72.95	137.75	0.00	137.75	-64.80
Interest on working capital	4.40	10.41	5.02	12.08	-7.68
Return on Equity	19.55	101.30	0.00	101.30	-81.75
Income Tax	0.00	0.00	0.00	0.00	0.00
SLDC charges	1.67	1.17	0.00	1.17	0.50
Misc. Expense, Bad Debts and other misc. written off	0.00	0.07	0.002	0.07	-0.07
Prior Period Items Income (-)/ Expense	0.00	2.07	-0.06	2.05	-2.05
Total ARR	**206.14**	**361.78**	**98.76**	**394.70**	**-188.56**
Less: Non-Tariff Income	0.67	0.47	24.68	8.70	8.03
Net ARR	**205.47**	**361.31**	**74.07**	**386.00**	**-180.53**

MePGCL humbly requests the Commission to pass through gap of Rs.180.53 Crore. It is submitted here that since the Commission had not provided the target for each component of AFC for MePGCL and allowed the total AFC of new plants on provisional basis, MePGCL has not calculated the gain and loss for each component of AFC as per MSERC Tariff Regulations 2011. In other words, the difference in each of the component, both surplus and gap, has been proposed to be passed entirely to the consumers, for FY 2013-14.

Commission's Analysis

Regulation 15 requires the Licensee to make an application before the Commission for truing up of ARR of previous year by 30th September of the following year on the basis of audited statements of accounts and the C&AG audit report thereon.

The Licensee shall get the accounts audited within a specified time frame either by the C&AG of India or by a statutory auditor approved by C&AG of India.

In the present petition dated 05.02.2016, MePGCL has not submitted audited accounts but the financial statements furnished duly approved by the Board of Directors seeking provisional true up for FY 2014-15. The petition was not filed within the time frame as per Regulation 15(3).

The Commission in compliance of the Hon'ble APTEL directions in its Order dated 01.12.2015, took up the exercise of Provisional true-up. However, the Commission considers adjustments of gap out of the provisional true up for FY 2014-15 in FY 2016-17 on provisional basis subject to adjustment in True up.

5.2 Fixed charges

5.2.1 O&M Expenses

MePGCL has claimed Rs. 74.98 Crore O&M Expenses for Provisional true up for FY 2014-15 as detailed below:

Table 5.2: O&M Expenses for FY 2014-15

(Rs. Crore)

S. No.	Particulars	For MePGCL	For MeECL	Total	Capitalisation
1	Employee Cost	28.91	28.96	57.87	(7.25)
2	R&M Expenses	13.01	0.07	13.08	
3	A&G Expenses	2.13	1.98	0.03	
	Total	**44.05**	**31.01**	**74.98**	

Commission's Analysis

As per the un-audited statement of accounts the O&M Expense are reported as detailed below:

Table 5.3: O&M Expenses (Rs. Crore)

S. No.	Particulars	For MePGCL	For MeECL	Total
1	Employee Cost	28.91	28.96	57.87
2	R&M Expenses	13.01	0.07	13.08
3	A&G Expenses	2.13	1.98	4.11
	Total	**44.05**	**31.01**	**75.06**

As per Regulations, the O&M cost for the Leshka project at normative figures will be around Rs. 15 Crore. However, since the final determination of the Tariff has not been done so far, the Commission allows 5% increase over FY 2013-14 in approved O&M cost.

The Commission considers Rs. 55.17 Crore towards O&M Expenses for Provisional true up of FY 2014-15.

5.2.2 Depreciation

MePGCL has claimed depreciation at Rs. 67.35 Crore for Provisional true up for the FY 2014-15.

Commission's Analysis

The Commission had approved Rs.5.61 Crore in the Tariff Order towards Depreciation. The Commission considered 90% of Asset Value Depreciable at Rs.221.20 Crore for old stations including R&M of Umiam Stage I and II, Stage-IV, Sona Pani Projects.

The Depreciation worked out at Rs. 11.68 Crore and allowed Rs. 5.61 Crore for Tariff determination.

MePGCL in their Petition, Depreciation for Leshka Project also factored. As already ordered in the Tariff Order for FY 2013-14, Commission is of the view that unless the Leskha Project Capital Cost was investigated by GoM and (MeSEB), MeECL for abnormal increase and deviation in cost and time overrun, it is not appropriate to consider the claim and overload the consumer's tariff. The Commission had disposed the petition filed by MePGCL on 14.08.2015 with required additional data. The Depreciation will be finalised on filing of the data by MePGCL.

The Commission had considered Rs.49.39 Crore of capital cost for Umiam-IV and Sonapani and allowed Rs. 2.35 Crore on 90% of the capital cost as Depreciation in FY 2013-14 as the capital cost of Leshka project is yet to be finalised after filing of the petition by the licensee. The Commission considers the Depreciation of other than Leshka Project at the same level for FY 2014-15.

The Commission considers Rs. 2.35 Crore Depreciation for provisional True up of FY 2014-15.

5.2.3 Interest on Working Capital

MePGCL has claimed interest on working capital at Rs. 12.08 Crore for Provisional True up of FY 2014-15.

Commission's Analysis

Since financial statements are not audited, the interest on working capital is regulated on the basis of approved fixed cost in the Tariff Order as detailed in the table below:

S. No.	Particulars	Amount (Rs. Cr.)
1	O&M Expenses for one month excl. MeECL cost (Rs.44.05 Crore/12)	3.67
2	Maintenance Spares as approved for Tariff	6.61
3	Receivables for two months as approved for Tariff	9.95
4	Working Capital Requirement	20.22
5	Interest on Working Capital (%)	14.45%
6	**Interest on Working Capital**	**2.92**

The Commission considers Interest on Working Capital at Rs. 2.92 Crore for Provisional True up for FY 2014-15.

5.2.4 Interest and Finance Charges

Petitioner's submission

MePGCL has claimed Interest and Finance Charges at Rs. 137.75 Crore for Provisional True up for FY 2014-15

Commission's analysis

The Interest commitment as per the un-audited statement of accounts for FY 2014-15 is worked out below:

Particulars	Opening Balance	Additions for FY 2014-15	Repayments in FY 2014-15	Closing Balance	Interest Charges
13.55% Term Loan from Federal Bank	35.71		7.14	28.57	4.35
12.75% Central Bank of India	56.51		8.34	48.17	6.67
13.25% PFC Loan	204.95	12.46		217.41	27.98
11.40% BSE Power Boards - II	50.00			50.00	5.70
9.95% BSE Power Boards – I	120.00			120.00	11.94
11.07% REC Restructured loan	253.04			253.04	28.01
Total	**720.21**	**12.46**	**15.48**	**717.19**	**84.65**

Looking at the information as given in the Table above, the Liability towards Leshka will be around Rs. 80 Crore in FY 2014-15 which is more or less meeting within the budget given to Leshka in the Interim Tariff. Accordingly, the Commission allows Rs. 0.33 Crore at the same level of FY 2013-14.

The Commission considers Interest and Finance Charges at Rs. 0.33 Crore for old stations for True up of FY 2014-15.

5.2.5 Return on Equity

MePGCL has claimed Rs. 101.30 Crore for Provisional True up of FY 2014-15.

Commission's Analysis

The Commission had considered opening GFA on 01.04.2014 at Rs. 391.40 Crore.

Equity at 14% on the Equity amount of Rs. 67.33 Crore considered at Rs. 9.43 Crore for determination of tariff.

As per the unaudited statement of account the equity component stated to be Rs. 5.00 Lakh (Note 2.2). GoM have notified 4^{th} Amendment to transfer of Assets & Liabilities on 29.04.2015.

As per Note 3.1 equity capital is pending allotment by GoM.

The Commission considers Rs. 9.43 Crore as Return on Equity for provisional True up of FY 2014-15.

5.2.6 SLDC Charges

MePGCL claimed Rs. 1.17 Crore towards 50% SLDC charges to be paid to MePTCL as per SLDC ARR for FY 2014-15.

Commission's Analysis

As per un-audited statement of accounts vide note 21, MePGCL paid Rs. 1.17 Crore to MePTCL towards 50% SLDC Charges.

The Commission considers Rs. 1.17 Crore SLDC Charges for Provisional True up of FY 2014-15.

5.2.7 Non-Tariff Income

MePGCL has submitted that Non Tariff Income received during the FY 2014-15 is Rs. 0.47 Crore and 1/3rd share of other Income for MeECL is Rs. 8.70 Crore.

Commission's Analysis

As per the un-audited statement of accounts vide note 17 Non-Tariff Income reported to be Rs. 0.47 Crore and 1/3rd share of other Income for MeECL is computed at Rs. 7.04 Crore excluding Rs. 2.84 Crore revenue grant apportioned to MePDCL.

The Commission considers Rs. 7.51 Crore as Non Tariff Income for provisional True up of FY 2014-15.

The Commission had approved ARR for MLHEP for Rs. 135.54 Crore same as that for FY 2013-14 as interim order for FY 2014-15. The Commission had held that it will take a final view when the report of the independent expert panel and the audited accounts are made available and if necessary suitable modifications will be made.

The Commission had for the Tariff Order for FY 2013-14 held that MePGCL will discharge liability of the Capital loans out of the interim tariff order receipts Income.

5.2.8 Revenue from Generation Activities

MePGCL has received Revenue of Rs. 191.10 Crore from MePDCL towards Power Purchase Cost for FY 2014-15 as per un-audited statement of Accounts (Note 16). The Commission considers Rs. 74.22 Crore as Revenue from Generation activities for Provisional True-up of FY 2014-15 excluding the revenue from Leshka Project at Rs. 116.88 Crore to be adjusted after final determination of Tariff for Leshka.

The Commission has considered for FY 2013-14 in this Order that after approval of the capital cost for MLHEP, the allowance of Depreciation, Interest and Finance Charges, Return on Equity, Interest on Working Capital will be determined on filing of additional data required by the Commission in its Order dated 26.08.2015.

Table 5.4: Summary of ARR for Provisional True up of FY 2014-15 considered by the Commission

S. No.	Particulars	Approved Tariff Order	As per MePGCL	Approved for Provisional true up
1	O&M Expenses	52.00	74.98	55.17
2	Depreciation	5.61	67.35	2.35
3	Interest on Loan	-	137.75	0.33
4	Interest on working capital	2.39	12.08	2.92
5	Return on Equity	9.43	101.30	9.43
6	SLDC Charges	1.17	1.17	1.17
7	Total Annual Fixed Cost	70.60	394.63	71.37
8	Less: Non Tariff Income	0.67	8.70	7.51
9	**Net ARR**	**69.93**	**385.87**	**63.86**
10	Revenue from operations excluding leshka			74.22
11	**Gap/(Surplus)**			**(10.36)**

The surplus so arrived in the provisional true up for FY 2014-15 is adjusted in the determination of ARR and Tariff for FY 2016-17. However, the final impact shall be considered in the ensuing year by the Commission after the utility files the petition along with audited accounts.

The Interim Tariff allowed in FY 2013-14 for MLHEP will remain operative till final approvals for the capital cost is considered.

6. Analysis of ARR for FY 2016-17 and Generation Tariff

The Commission as done in other ARR petitions allows the same ARR as approved in the MYT Order dated 30.03.2015 for FY 2016-17. Various expenses of MePGCL as approved in MYT Order for FY 2016-17 for Control Period for FY 2015-16 to FY 2017-18 are discussed below:

6.1 O&M Expenses

O&M Costs consists of Employee Expenses, Repairs and Maintenance Charges in MYT Order considering costs on actuals and as per Regulations.

The approved O&M Expenses for FY 2016-17 in MYT Order are Rs. 58.01 Crore. Commission now accepts the same amount at Rs. 58.01 Crore.

6.2 Depreciation

In the MYT Order for the Control Period from FY 2015-16 to FY 2017-18 the Commission has approved depreciation considering average GFA of Rs.391.24 Crore and 5.28% depreciation rate. As audited statement of account was not available Commission considered 50% of approved depreciation at Rs.10.33 Crore for FY 2016-17 for old stations and Rs.0.31 Crore for Sona Pani. Now Commission approves the same amount of Rs.10.64 Crore towards depreciation for all stations.

6.3 Return on Equity

As Audited Accounts are not available the Commission did not consider the equity value proposed for old stations and considered the equity for Sona Pani for FY 2016-17. The Commission approved RoE at Rs. 9.18 Crore for old stations and Rs. 0.25 Crore for Sona Pani amounting to Rs. 9.43 Crore. Now the Commission accepts this amount towards RoE for FY 2016-17.

6.4 Interest and Finance Charges

The Commission has approved Rs. 1.13 Crore towards interest and finance charges for FY 2016-17 considering closing loan of Rs. 8.95 Crore and interest rate of 14.75% in the MYT Order.

The Commission now accepts the same amount of Rs. 1.13 Crore towards interest for FY 2016-17.

6.5 Interest on working capital

In the MYT Order for FY 2015-16 to FY 2017-18 the Commission approved Interest on Working Capital at Rs. 4.08 Crore considering components of normative working capital for old stations and Sona Pani for FY 2016-17.

The Commission now approves the same amount of Rs. 4.08 Crore for ARR of FY 2016-17.

6.6 SLDC Charges

The Commission had approved Rs. 0.99 Crore for FY 2016-17 in MYT Order towards SLDC Charges. **Now, the Commission approves Rs. 1.00 Crore towards SLDC Charges for FY 2016-17**.

Considering the above approved fixed charges for FY 2016-17, the total fixed charges for MePGCL Old plants and Sonapani are shown in the Table below:

Table 6.1: Annual Fixed Cost approved for FY 2016-17

(Rs. Crore)

Sl. No	Particulars	FY 2016-17
1	O&M Expenses	58.01
2	Depreciation	10.64
3	Return on Equity	9.43
4	Interest on Loan Capital	1.13
5	Interest on Working Capital	4.08
6	SLDC Charges	1.00
7	**Total Annual Fixed Cost**	**84.29**
8	Less: Non Tariff Income	0.31
9	**Net Annual Fixed Cost**	**83.98**
10	Add: Gap of True up of FY 2013-14	11.26
11	Add: Surplus of true up of FY 2014-15	(10.36)
12	**Approved ARR for FY 2016-17**	**84.88**

The true up for FY 2013-14 and FY 2014-15 are interim approvals subject to readjustment on filing of the petition by the Licensee along with the audited accounts and C&AG certificates.

Plant wise allocations of Annual Fixed Charge are shown in Table below:

Table 6.2: Annual Fixed Cost allocated for each power station during FY 2016-17

Sl. No	Name of Plant	Capacity (MW)	Designed / Annual Energy (MU)	AFC Allocation (Rs. Crore)
1	Umiam Stage I	36	116	16.14
2	Umiam Stage II	20	46	8.97
3	Umiam Stage III	60	139	26.91
4	Umiam Stage IV	60	207	26.91
5	Umtru	11.2	39	5.02
6	Sonapani	1.5	5	0.94
	Total	**188.7**	**552**	**84.89**

The Commission had issued interim Tariff for FY 2013-14 and held that the same shall be applicable for FY 2014-15 till the final tariff is fixed for leshka project considering the capital cost.

6.7 Recovery of annual fixed charges

As per the regulation the recovery of annual fixed charges has to be made in two parts i.e., capacity charges and energy charges. The Commission has adopted the similar approach as adopted in the last tariff order to allow the payment of fixed charges and energy charges in a simpler form. 50% recovery of fixed charges of Rs.42.44 Crore in FY 2016-17 shall be made in 12 equal monthly instalments by MePDCL which shall be Rs.3.54 Crore per month to the generating company for its six existing plants. This amount shall be paid by MePDCL to MePGCL every month within seven days of invoice. Remaining terms and conditions shall be as per the Regulation. In addition to the fixed charges, generating company shall also recover 50% of annual fixed charges i.e. Rs.42.44 Crore through energy charges on actual purchase of electricity by MePDCL at the rate approved for each plant in the last column of the table below:

Table 6.3: Plant wise Capacity and Energy Charges approved for FY 2016-17

Sl. No	Name of Plant	Capacity (MW)	Designed/ Annual Energy (MU)	AFC Allocation (Rs. Cr.)	Average Tariff (Rs./kWh)	50% as Capacity charges (Rs. Cr.)	50% as Energy Charges (Rs./kWh)
1	Umiam Stage I	36	116	16.14	1.39	8.07	0.70
2	Umiam Stage II	20	46	8.97	1.95	4.49	0.98
3	Umiam Stage III	60	139	26.91	1.94	13.45	0.97
4	Umiam Stage IV	60	207	26.91	1.30	13.46	0.65
5	Umtru	11.2	39	5.02	1.29	2.51	0.64

Sl. No	Name of Plant	Capacity (MW)	Designed/ Annual Energy (MU)	AFC Allocation (Rs. Cr.)	Average Tariff (Rs./kWh)	50% as Capacity charges (Rs. Cr.)	50% as Energy Charges (Rs./kWh)
6	Sonapani	1.5	5	0.94	1.88	0.47	0.94
	Total	**188.7**	**552**	**84.89**		**42.45**	

However, the Commission directs the Generating Company to make a proper proposal for the recovery of charges as per Regulations after proper study and presentation of facts to the Commission within 6 months, so that next year, the Commission may review the present procedure.

7. Directives

7.1 New Directives:

1. Filing of Petition for Leshka Project:

The Commission directs MePGCL to file the petition of the ensuing year at the earliest along with the expenses incurred in the Leshka Project after complying with the directives as given to MePGCL for final determination of Tariff. The true up of Leshka Project shall be done thereafter.

2. Improvement of Performance:

The Commission directs MePGCL to submit an action plan for implementation of efficiency improvement and manpower rationalisation measures giving target dates for completion of each milestone of proposed plan within three months of issuance of this Order. The information of the plant availability, availability of the water and Generation in the form of report need to be submitted in every quarter in the first week of the following month regularly.

3. Financial Statements of Accounts:

The Commission directs MePGCL to get their accounts audited by C&AG up to FY 2015-16 and submit the same along with the next tariff petition filing.

4. Control on Expense

The Commission directs MePGCL to prepare an annual budget for FY 2016-17 for every plant and submit the same to the Commission within one month of the issuance of this Order so that expenses are made within the provision of Tariff Order and Regulations.

Annexure-I

RECORD NOTE OF THE 18 TH MEETING OF THE STATE ADVISORY COMMITTEE HELD AT 01:00 PM ON 16th MARCH 2016 AT THE MSERC CONFERENCE HALL AT SHILLONG.

Present:-

Members of the State Advisory Committee and Commission

1) Shri Anand Kumar, Chairman, MSERC.
2) Shri. J.B. Poon, Secretary MSERC
3) Shri. K. Marbaniang, Chairman Institution of Engineers.
4) Shri. Ramesh Bawri, President Meghalaya Confederation of Industries.
5) Shri. S. K. Lato, Jowai.
6) Shri. Sanjay Ekbote, Director (MES).
7) Shri. Naveen Kumar, CWE, MES Shillong.

Officers from MeECL

1) Shri. T. Passah, Director & CE Distribution.
2) Shri. S. J. Laloo, CE, Generation.
3) Shri. L.M.F Sohtun, CE, Transmission.
4) Shri. M.S.S. Rawat, CAO.
5) Shri. G.S. Mukherjee, Company Secretary.

Calling the 18th Meeting of the State Advisory Committee (SAC) to order, the Chairman welcomed the members of Advisory Committee. He gave a brief idea on the current year tariff petitions to the members of the Advisory Committee. He explained the statutory requirements to be adhered by the licensees and generating companies. The Chairman explained the salient features of the True up ARRs of FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and revision in tariff for FY 2016-17 filed by Generating Corporation (MePGCL), Distribution Licensee (MePDCL) and Transmission Licensee (MePTCL). The Chairman explained the directions of Hon'ble APTEL's Order dated 01.12.2015 for filing of audited records prior to finalization of current year tariff. The Chairman also explained the important issues relating with the True up and audited accounts which have its bearing on the consumer's tariff.

Members of the Advisory Committee were briefed that the Commission has already admitted ARR petitions for all three utilities and response received so far in this regard. The Chairman invited suggestions with regard to present petition from the members. The Chairman suggested the members to send their comments in writing to the Commission if it required so. However, suggestions in this regard were also invited in the meeting. The issues which were presented before the members are AT&C losses, power availability in the State and present demand of the consumers. The Chairman has also shown his concern on the present level of losses in the State which have bearing on the tariff of the consumers. It was deliberated in the meeting that the control on the losses is must and the Commission should not allow the licensee over and above the targets fixed by the Commission in its earlier orders. The Commission highlighted the results of energy audit exercise held in Police Bazaar to the members of the Advisory Committee. He explained to the MeECL that there is a need to create a special group for monitoring of billing and collection including losses of all high revenue yielding consumers of the State. MePDCL officers agreed to it. The Commission has also shown its concern to get C&AG report on the licensee's statement of accounts after 2011-12. The Chairman invited suggestions from the participants on the ARR. Members of the SAC raised the following issues:

1. **Shri. S.K. Lato**

Shri. S. K. Lato raised his objection towards high losses in the MePDCL area and asked the MeECL officers to brief him about the action taken by them in reducing the losses. He suggested that the Commission should adhere to its trajectory as done earlier. The Commission briefed him that in the tariff only the nominal losses are allowed and if it is not achieved then the licensee's revenue is affected for which licensee is responsible. MePDCL informed the Committee that they are using the grants under UDAY Schemes to strengthen the line, change of transformer and placing of Smart Meter so that they reach at 15% loss level.

2. **Shri Sanjay Ekbote**

Shri Sanjay has placed a proposal before the Commission to grant them the status of deemed licensee in the State of Meghalaya as done in other States like Delhi, etc. He suggested that the present tariff applicable on bulk consumers is quite high and MES should be given some discount for use of their infrastructure and maintenance thereof. The Commission explained that proposal for reduction in tariff should be given as an objection to the tariff proposal within the time frame. Shri Sanjay requested time up to Public Hearing day and submitted the objections/suggestions with regard to bulk supply tariff will be submitted to the Commission.

3. Shri. Ramesh Bawri

Shri Bawri has suggested that decision of Delhi High Court in a matter of audit by C&AG as submitted by MeECL is of no relevance in the present case. He submitted that licensee's tariff is determined under the provisions of Electricity Act, 2003 and Regulations of the Commission. He has given the example of Regulation 15 which says that True up petitions shall be considered with the audited accounts by C&AG or Statutory Auditor. He also suggested that the time line of submitting the audited accounts should also be adhered as per the Regulations and consumers should not be burdened with the previous year backlog over and above two years. He has given the example of a decision of the Apex Court that present consumers should not be over burdened with the past backlog. MePDCL submitted that there is a provision in the law to put penalty on delay on submission of accounts but the legitimate expenditures of the licensee should be allowed. Mr. Bawri stated that as per Regulations the True up application should be submitted by 30th September and the current tariff application should be entertained as per MYT Regulations. He also explained that there is no provision of provisional true up in the Regulations and therefore True up of FY 2014-15 should not be entertained by the Commission. He explained that the function of the auditor is to point out the expenses and revenue as actually happened and its report give the nature of any infirmity and therefore without audit report no True up should be done. MePDCL explained that they have submitted C&AG report for FY 2011-12, statutory auditor report for FY 2012-13 & 2013-14. The Commission requested Mr. Bawri to give his suggestions in writing if he desires so.

4. Shri K. Marbaniang

Shri Marbaniang suggested that the MePDCL should adhere with the directions of the Commission given in the past in reducing their losses and maintaining efficient operation in the system. He suggested that tariff should be based on normative losses decided by the Commission and should not reflect the inefficiencies of the licensee.

Summing up the discussions, the Chairman placed on record his profound gratitude to the Hon’ble Members of the Advisory Committee for their valuable suggestions and submissions and assured that these would be kept in view, while finalizing the Tariff for the year 2016-17.

(J.B. Poon)

Secretary, MSERC

Annexure-II

LIST OF PARTICIPANTS IN THE PUBLIC HEARING ON 21.03.2016

On behalf of MeECL/MePGCL

1. Shri S.J. Laloo, CE (Gen)
2. Shri G.S. Mukherjee, Company Secretary
3. Shri B.C. Lyngdoh, Addl. CE (Gen)
4. Shri A. Lyngdoh, SE (PM)
5. Shri A. Kharpan, ACE, (Com)
6. Shri P. Sahkhar, SE (RA & FD)
7. Shri M.S.S. Rawat, CAO
8. Shri. T. S. Kharnaior, Dy, CAO.
9. Shri. R. Laloo, AO,
10. Ms. L. Kharpan, SE.
11. Shri. Piyush Lohia, Consultant.
12. Shri. J. Pradhan, Consultant.

On behalf of Byrnihat Industries Association/Other industries.

1. Ms. Ranjitha Ramchandran, Advocate.
2. Shri. Saurav Agarwal, Consumer.

On behalf of consumer/consumer's organisation

1. Ms. Mandakini Ghosh, Advocate.