



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION SHILLONG

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

Order on Case No. 09 of 2024

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

Coram

Shri. Chandan Kumar Mondol, Chairman

Shri. Ramesh Kumar Soni, Member (Law)

Petitioner:

Meghalaya Power Distribution Corporation Ltd. (MePDCL)

Lum Jingshai, Short Round Road,
Shillong – 793 001

Order

(Dated: 24.03.2025)

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

The Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act (EA), 2003 and all other powers enabling it in this behalf, and after taking into consideration the submissions made by MePDCL, suggestions/objections received from the stakeholders upon public consultation process, and upon considering all other

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

Further, in accordance with the applicable regulatory provisions set out vide regulation 14 of the MSERC Multi Year Tariff Regulations, 2014 being read along with its subsequent amendments specifies the following:

“The Generating Company or Transmission Licensee or Distribution Licensee shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations.”

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

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

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

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

Sd/-

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

Sd/-

**Chandan Kumar Mondol,
Chairman**

Table of Contents

1.	Background and Brief History	7
1.1.	Background	7
1.2.	Facts about this Case	7
2.	Summary of Petition for Revised ARR and Retail Tariff for FY 2025-26	10
2.1.	Revised Aggregate Revenue Requirement (ARR) for FY 2025-26	10
2.2.	Revenue at Current tariffs	10
2.3.	Revenue from Sale of Surplus Power	11
2.4.	Revenue Gap for FY 2025-26	11
3.	Revised Aggregate Revenue Requirement for FY 2025-26	12
3.1.	Tariff Regulations	12
3.2.	Determination of Tariff	12
3.3.	Regulatory Accounts	13
3.4.	Energy Sales	13
3.5.	Category wise Number of Consumers	13
3.6.	Connected Load	15
3.7.	Distribution Loss	16
3.8.	Energy Sales	16
3.9.	Energy Availability	21
3.10.	Power Purchase Cost	23
3.11.	Transmission Charges	31
3.12.	Quantum of Renewable Purchase Obligation (RPO)	32
3.13.	Collection Efficiency:	32
3.14.	Energy Balance	33
3.15.	Gross Fixed Assets (GFA) and Capitalization	34
3.16.	Grants and Funding Pattern	35
3.17.	Depreciation	37
3.18.	Return on Equity	39
3.19.	Interest on Loan	40
3.20.	Operation & Maintenance Expenses	42
3.21.	Interest on Working Capital	44
3.22.	Non-Tariff and Other Income	45
3.23.	Revenue from Sale of Surplus power	45
3.24.	Accrued Terminal Benefits	47

3.25.	Revised Annual Revenue Requirement for FY 2025-26.....	49
3.26.	Revenue at Existing Tariffs.....	50
3.27.	Revenue Gap for FY 2025-26 at Existing Tariffs.....	52
4.	Tariff Principles and design and Approved Tariff.....	54
4.1.	Background.....	54
4.2.	Tariff Proposal.....	54
4.3.	Determination of Retail Supply Tariff for FY 2025-26.....	55
4.4.	Revenue Gap after Revision of Tariff rates for FY 2025-26.....	58
5.	Open Access Charges.....	59
5.1.	Wheeling Charges.....	59
5.2.	Cross-Subsidy Surcharge.....	59
5.3.	Additional Surcharge.....	66
6.	Other Tariff Proposals.....	76
6.1.	Tariff for Electric Vehicle Charging Stations.....	76
6.2.	Unmetered Public Lighting Services.....	77
6.3.	Time of the day Tariff.....	77
6.4.	Load Factor.....	78
6.5.	New Connection Charges.....	78
6.6.	Introduction of Cash Back for Domestic Consumers to Encourage Online Payment of Bills.....	82
7.	Commission's Review of Directives.....	83
7.1.	Introduction.....	83
7.2.	Review of Directives.....	83
8.	Schedule of Approved Tariffs for FY 2025-26.....	93
8.1.	Low Tension Tariff.....	93
8.2.	High Tension Tariff.....	99
8.3.	Extra High Tension.....	102
8.4.	Others.....	103
8.5.	Green tariff.....	104
9.	Applicability of the Order.....	109
10.	Annexure-I.....	110

List of Tables

Table 1: Proposed ARR for FY 2025-26 (Rs. Cr.)	10
Table 2: Proposed Calculation of Revenue at Existing Tariff for FY 2025-26.....	10
Table 3: Proposed Revenue from Sale of Surplus Power for FY 2025-26	11
Table 4: Proposed projected Revenue Gap for FY 2025-26 (Rs. Cr.)	11
Table 5: Projected Number of consumers for FY 2025-26 (nos.).....	13
Table 6: Approved Number of consumers for FY 2025-26 (nos.)	14
Table 7: Proposed Connected Load for FY 2025-26	15
Table 8: Approved Connected Load for FY 2025-26.....	15
Table 9: Approved Distribution losses for FY 2025-26.....	16
Table 10: Proposed Computation of Revenue from Energy Charges (EC) - Domestic Consumers for FY 2025-26	17
Table 11: Proposed Computation of Revenue from Energy Charges- Commercial Consumers for FY 2025-26	18
Table 12: Proposed Computation of Revenue from Energy Charges- Kutir Jyoti Consumers for FY 2025-26	18
Table 13: Proposed Computation of Revenue from Energy Charges- IHT and IEHT Consumers for FY 2025-26	19
Table 14: Proposed Energy Sale projection for FY 2025-26.....	19
Table 15: Approved Category-wise Energy Sale (MU) for FY 2025-26.....	20
Table 16: Proposed Energy Availability and Power Procurement Plan for FY 2025-26 (MU)	21
Table 17: Approved Energy Availability and Power Procurement Plan for FY 2025-26.....	22
Table 18: Proposed Actual Rates of Power Procurement in H1 of FY 2024-25.....	24
Table 19: Proposed Power Purchase Cost for FY 2025-26	24
Table 20: Proposed Modified PPC submitted by MePDCL for FY 2025-26	27
Table 21: Approved Power Purchase Cost for FY 2025-26	30
Table 22: Proposed Transmission Charges for FY 2025-26.....	31
Table 23: Approved Transmission Charges for FY 2025-26	31
Table 24: Approved RPO% for FY 2025-26	32
Table 25: Past Trends of Collection Efficiency of MePDCL	33
Table 26: Approved Collection Efficiency for FY 2025-26.....	33
Table 27: Proposed Energy Balance for FY 2025-26.....	33
Table 28: Approved Energy Balance for FY 2025-26.....	34
Table 29: Proposed Capital Structure for FY 2025-26.....	35
Table 30: Approved Gross Fixed Asset for FY 2025-26 (Rs. Crs.)	35
Table 31: Proposed Funding Pattern of Capitalization for FY 2025-26 (Rs. Crs.).....	36
Table 32: Approved Additional Capitalization funded through Grant for FY 2025-26 (Rs. Crs.)	36
Table 33: Proposed Depreciation for FY 2025-26 (Rs. Cr.).....	37
Table 34: Approved Depreciation for FY 2025-26 (Rs. Cr.).....	38
Table 35: Proposed Return on Equity for FY 2025-26 (Rs. Cr.)	39
Table 36: Approved Return on Equity for FY 2025-26 (Rs. Cr.)	40
Table 37: Proposed Interest on Loan for FY 2025-26 (Rs. Cr.)	41
Table 38: Approved Interest on Loan for FY 2025-26 (Rs. Cr.).....	42
Table 39: Proposed Operation & Maintenance Expenses for FY 2025-26 (Rs. Cr.)	42
Table 40: Approved Interest on Working Capital for FY 2025-26 (Rs. Cr.)	44
Table 41: Proposed Non-Tariff Income for FY 2025-26 (Rs. Cr.)	45
Table 42: Proposed Energy Balance for FY 2025-26 (Rs. Cr.)	45
Table 43: Proposed Revenue from Sale of Surplus Power for FY 2025-26 (Rs. Cr.)	46
Table 44: Approved Revenue from sale of Surplus Power for FY 2025-26(Rs. Cr.).....	47
Table 45: Proposed ARR projection for FY 2025-26 (Rs. Cr.).....	49
Table 46: Approved ARR projection for FY 2025-26 (Rs. Cr.)	50
Table 47: Proposed Calculation of Revenue at Existing Tariff for FY 2025-26 (Rs. Cr.).....	51
Table 48: Approved Revenue from Existing Tariff for FY 2025-26.....	51