

BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION, SHILLONG

PETITION

FOR

**APPROVAL OF DISTRIBUTION OPEN ACCESS CHARGES FOR FY
2014-15**

FILED BY

**MEGHALAYA POWER DISTRIBUTION CORPORATION
LIMITED**

Lum Jingshai, Short Round Road, Shillong - 793 001

BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

FILE / PETITION NO.....

IN THE MATTER OF

PETITION FOR APPROVAL OF DISTRIBUTION OPEN ACCESS CHARGE FOR FY 2014-15 UNDER MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF OPEN ACCESS) REGULATION 2012, MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS, 2011 AND UNDER SECTION-62, READ WITH SECTION 86, OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED; LUMJINGSHAI, SHILLONG – 793001, MEGHALAYA

PETITIONER

IT IS RESPECTFULLY SUBMITTED BY THE PETITIONER THAT:

1. With effect from 21st January 1975, the power supply Industry in Meghalaya had been under the control of the erstwhile Meghalaya State Electricity Board (MeSEB). On 31st March 2010, the Government of Meghalaya issued a Notification "The Meghalaya Power Sector Reforms Transfer Scheme 2010" (enclosed as **ANNEXURE-I**) thereby giving effect to the transfer of assets, properties, rights, liabilities, obligations, proceedings and personnel of the erstwhile MeSEB to, namely, (i) Meghalaya Energy Corporation Limited (MeECL), the Holding Company; (ii) Meghalaya Power Distribution Corporation Limited (MePDCL), the Distribution Utility; (iii) Meghalaya Power Generation Corporation Limited (MePGCL), the Generation Utility; & (iv) Meghalaya Power Transmission Corporation Limited (MePTCL), the Transmission Utility. However, the Government of Meghalaya, vide Notification dated 19th May 2011, notified that the transfer scheme of the MeECL be extended for another period of 1 (one) year with effect from 1st April 2011. On 31st March 2012, Government of Meghalaya issued amendment to the above mentioned transfer scheme, to transfer Assets and Liabilities including all rights, obligations and contingencies with effect from 1st April 2012 (enclosed as **ANNEXURE-II**). The Government of Meghalaya issued notification on 16th September 2013 thereby notifying the revised statement of Assets and Liabilities as on 1st April 2010 to be vested in Meghalaya Energy Corporation Limited (enclosed as **ANNEXURE-III**). In supersession of the Notification No. POWER-79/2009/494 dated 16th September 2013, the Government of Meghalaya on 23rd December 2013 issued the 3rd Amendment of "The Meghalaya Power Sector Reforms Transfer Scheme, 2010" (enclosed as **ANNEXURE-IV**).
2. The Meghalaya Energy Corporation Limited (MeECL) is functioning as a Holding Company and the other utilities, namely, Meghalaya Power Distribution Corporation

Limited (MePDCL), the Meghalaya Power Generation Corporation Limited (MePGCL) and the Meghalaya Power Transmission Corporation Limited (MePTCL) have commenced commercial operation as independent entities from 1st April 2013 onwards.

3. The Hon'ble Commission has passed the Tariff Order of MePDCL for FY 2013-14 on 30.03.13.
4. Further, the Hon'ble Commission has passed the Distribution Open Access Charges for FY 2013-14 on 12.11.13.

5. **Prayer**

The applicant humbly prays to the Hon'ble Commission to pass appropriate orders on the following:

- a. To approve Distribution Open Access Charges for FY 2014-15.
- b. To pass such orders, as the Hon'ble Commission may deem fit and proper and necessary in view of the facts and circumstances of the case.
- c. To condone any inadvertent omissions, errors & shortcomings and permit the applicant to add/change/modify/alter this filing and make further submissions as required.

R. Sungoh,
Superintending Engineer (Reorganisation),

For and on behalf of
Meghalaya Power Distribution Corporation Ltd

1. Computation of Wheeling Charge

- 1.1 It is submitted that the formulae for computation of wheeling charge is provided in Regulation 23 of the Meghalaya State Electricity Regulatory Commission (Terms and Condition of Open Access), Regulations, 2012, the same is reproduced below:

“23 Wheeling Charges:

Wheeling charges payable to distribution licensee, by an open access customer for usage of its system and associated facilities shall be as determined as under:

Wheeling Charges = (ARR – PPC – TC) / (ALSD X365) (in Rs. /MW-Day)

Where,

ARR= Annual Revenue Requirement of the distribution licensee in the concerned year

PPC= Total Power Purchase Cost of distribution licensee in the concerned year

TC = Total transmission charges paid by distribution licensee for State and associated facilities and Inter-State transmission system for the concerned year

ALSD= Total average load projected to be served by the concerned distribution system in the concerned year

Provided that Wheeling charges shall be payable on the basis of contracted Capacity/Scheduled Load or actual power flow whichever is higher.

Provided further that where a dedicated distribution system used for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by distribution licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes;”

- 1.2 As per the above regulation the wheeling charge is computed as mentioned below:

- 1.2.1 $Wheeling\ Charges = (ARR - PPC - TC) / (ALSD \times 365)$ (in Rs/MW-Day)

As per ARR and Tariff Petition for FY2014-15 filed by MePDCL on 16th December 2013, the components required for computation of Wheeling Charge are listed in table below:

Table 1: Components of Wheeling Charge

Particulars (FY 2014- 15)	Rs. Crs
Annual Revenue Requirement of MePDCL (ARR)	859.56
Total Power Purchase Cost of MePDCL (PPC)	489.08
Total transmission charges payable by MePDCL (TC)	123.48
(ARR-PPC-TC) *	247.00

1.2.2 The Average load projected to be served (ALSD) by the distribution system in FY 2014-15, is computed by deducting the sale to EHT Category and the outside state energy sale from the total projected energy sale for FY2014-15. The respective energy sales have been projected as per ARR and Tariff Petition for FY2014-15 filed by MePDCL on 16th December 2013,

Therefore, the energy sale considered for Wheeling Charge computation is highlighted as below:

Table 2: Net Energy Sale for Wheeling Charge Computation

Particulars	FY 2014- 15 (MU)
Total Sale	1,040.71
Less:	
<i>Outside sale</i>	-
<i>Sale to EHT Consumers</i>	168.50
Net Sale for Wheeling Charge Computation	872.21

Hence, ALSD= $(872.21 \times 1000) / (24 \times 365)$ or 99.57 MW

Therefore, wheeling Charge = $(859.56 - 489.08 - 123.48) \times (10^7) / (99.57 \times 365)$

= Rs. 67965.28 per MW/day

2. Cross Subsidy Surcharge

2.1 It is submitted that as per Regulation 24 of the Meghalaya State Electricity Regulatory Commission (Terms and Condition of Open Access), Regulations, 2012, in addition to transmission charges and wheeling charges, a consumer availing open access to the transmission system/distribution system shall pay a Cross-Subsidy Surcharge on per unit basis for actual energy drawn through open access. The regulation is reproduced as below:

“24. Cross subsidy surcharge

(1) Cross-Subsidy Surcharge

In addition to transmission charges and wheeling charges, a consumer availing open access to the transmission system/distribution system shall pay a Cross-Subsidy Surcharge on per unit basis for actual energy drawn through open access.

The Open access users, except those availing open access facility to transfer power from their captive generating plants to the destination of their own use, shall pay the (cross-subsidy) surcharge to the distribution licensee of their area, as determined by the Commission from time to time. The amount of surcharge shall be so calculated as to meet the current level of cross subsidy from that category of consumers and shall be paid to the distribution licensee of area of supply where the consumer is located.”

- 2.2 Based on the above mentioned regulation the cross-subsidy surcharge is calculated. For FY 2014-15 the proposed ARR as per ARR & Tariff Petition filed by MePDCL on 16th Dec'13 is Rs. 859.56 Crore and the total Energy Sale proposed is 1040.71 MUs (excluding Energy pertaining to swapping). Therefore the proposed Average Tariff for state is Rs 8.26 per kWh. The calculation of average tariff and cross-subsidy surcharge for IEHT and IHT category of consumers is shown in the table below:

Table 3: Cross Subsidy Surcharge

Sl No	Particulars	IEHT	IHT
1	Contract Demand (CD) (kVA)	91,562.20	167,173.84
2	Billing Demand = 75% of CD	68,671.65	125,380.38
3	Demand Charge (Rs/kVA)	450.00	450.00
4	Total Demand Charge (Rs Cr)	37.08	67.71
5	Energy Sale Projected (MU)	168.50	253.12
6	Energy Sale Projected (Mill MVAh)	198.24	297.79
7	Rate per kVAh (Rs)	5.53	5.88
8	Total Energy Charge (Rs Cr)	109.63	175.10
9	Total Revenue from Sale of Power (Rs Cr)	146.71	242.81
10	<i>Average Tariff (Rs/kWh)</i>	<i>8.71</i>	<i>9.59</i>
11	Average State Tariff (Rs/kWh)	8.26	8.26
	Cross Subsidy Surcharge	0.45	1.33

It is submitted before the Hon'ble Commission to kindly approve the cross-subsidy surcharge of **Rs. 0.45 per Unit** for Industrial EHT Category (**IEHT**) and **Rs 1.33 per Unit** for Industrial HT Category (**IHT**) consumers.

3. Additional Surcharge for Open Access

It is submitted that at present MePDCL is not proposing additional surcharge for Open Access.

4. Distribution Losses

- 4.1 It is submitted that MePDCL is taking several steps to ascertain baseline loss level by conducting energy audit as explained in Section 3.6 of ARR & Tariff Petition for FY2014-15 filed on 16th December. 1013. However, till such time, metering and energy audit is completed, MePDCL proposes to consider losses as approved in MSERC order for Open Access Charges for FY2013-14.
- 4.2 Therefore, it is submitted before the Hon'ble Commission to kindly approve 6% as wheeling losses for 33 KV consumers and 9% for 11 KV consumers for FY2014-15 as approved in its Order dated 12th November, 2013.