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MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

New Admn. Building, Left Wing, 1st Floor

LOWER LACHUMIERE: SHILLONG – 793001.

F.NO.MSERC/MePDCL/RP/14-15/2014/ 142, Dated, the 10.09.2014

From: The Secretary,
MSERC, Shillong.

To: The Director,
MePDCL, Lumjingshai, Shillong.

Sub: **Commission's Order dated 09.09.2014.**

Dear Sir,

Enclosed please find a certified true copy of the Commission Order dated 09.09.2014.

Kindly acknowledge receipt.

Yours faithfully,

Enclo: as above.

10/09

(J B Poon)
Secretary
Meghalaya State Electricity Regulatory Commission

BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of:

Petition for Review/Modification of Tariff Order dated 12.04.2014 under section 94(1)(f) of the Electricity Act, 2003 and regulation 21 of MSERC (Conduct of Business) Regulations, 2007 and regulation 22 of MSERC (Terms and Conditions of Determination of Tariff) Regulations, 2011.

And

In the matter of:

Meghalaya Power Distribution Corporation Limited, Lumjingshai, Shillong, Meghalaya.

CORAM

Shri Anand Kumar, Chairman

Date of Order: 09.09.2014

ORDER

Petitioner MePDCL vide their petition dated 10.06.2014, prayed for modification/ review of the Tariff (Distribution) order for FY 2014-15 passed by the Commission on 12.04.2014. MePDCL has sought to invoke section 94(1)(f) of the Electricity Act, 2003 and regulation 21 of the MSERC (Conduct of Business) Regulations, 2007 & also regulation 22 of MSERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 in filing the petition.

2. The grounds seeking the review are that Commission approved the ARR at Rs.618.87 crores as against Rs.859.56 crores proposed in the tariff petition dated 16.12.2013, that the average cost of supply has been assessed at Rs.5.38/unit against the proposed Rs.8.26/unit. On the various items of expenditure also, such as employee costs, R&M expenses, Administration and General Expenses, depreciation, interest on loan capital, interest on working capital, return on equity and other items, petitioner MePDCL pleaded that Commission review the same since they fell short of what it had proposed.

3. In connection with the petition the Commission required MePDCL vide its letter dated 19.06.2014 to submit details of assets and liabilities as apportioned to MePDCL. In addition, the Commission also required MeECL to file the Statements of Accounts for FYs 2010-11 and 2011-12 duly audited and vetted by C&AG so as to validate their claims and meet the requirement of Regulations. In response MePDCL informed on 08.07.2014 that segregation of equity among the subsidiaries of MeECL was yet to be notified. MePDCL further stated that as the audit of FY 2011-12 accounts was in progress, the transfer scheme and segregation of assets and liabilities would only be available after the audit was over. MePDCL further submitted that the supplementary audit for 2010-11 was completed by C&AG but his report was awaited.

4. In fact, when passing the Tariff Order for FY 2014-15 Commission had duly examined item wise the requirement and scrutinized all the information and data made available by the petitioner MePDCL. Hearings, including a public hearing, were held and opportunity was given to the participating consumers to place their views and the same were discussed. Officers of the petitioner MePDCL were present and they stated their case and clarified points raised in the discussions. Whatever transpired during the deliberations, the Commission noted them and duly considered the issues involved.

5. To true up or, for that matter, to review the order dated 12.04.2014, it is necessary that the audited accounts at least for the years 2010-11, 2011-12 and 2012-13 are submitted so that the position of the accounts is demonstrated. MeECL and MePDCL are therefore, once again directed to furnish the accounts accordingly for consideration and necessary action by the Commission.

6. In the present circumstances where the audited records of previous years are not furnished, the review cannot be undertaken at this stage. The petition is disposed of accordingly.

Certified
to be true copy

10/9

Secretary
Meghalaya Electricity Regulatory Commission
Shillong

9.9.2014

(ANAND KUMAR)