

BEFORE
MEGHALAYA STATE ELECTRICITY REGULATORY
COMMISSION SHILLONG

PETITION

FOR

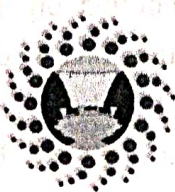
TRUE UP OF GENERATION BUSINESS

FOR FY 2023-24

&

REVISED AGGREGATE REVENUE REQUIREMENT FOR FY
2025-26 AND GENERATION TARIFF FOR FY 2025-26

FILED BY



MePGCL

Generating Clean And Green Energy

MEGHALAYA POWER GENERATION CORPORATION LTD.
Lum Jingshai, Short Round Road, Shillong-793001

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

FILE/ PETITION NO.....

IN THE MATTER OF

APPROVAL OF TRUING UP OF EXPENSES FOR FY 2023-24 AND APPROVAL OF
REVISED ARR FOR FY 2025-26 AND GENERATION TARIFF FOR FY 2025-26 OF THE
MEGHALAYA POWER GENERATION CORPORATION LIMITED (MePGCL) UNDER
SECTION 62 AND 64 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003 AND
PROVISIONS OF MSERC (MULTI YEAR TARIFF) REGULATIONS, 2014

AND IN THE MATTER OF

MEGHALAYA POWER GENERATION CORPORATION LIMITED, LUMJINGSHAI
SHILLONG- 793001- MEGHALAYA.

..... PETITIONER

IT IS RESPECT SUBMITTED BY THE PETITIONER THAT:

1. In exercising the powers conferred to it under Section 131 and 133 of the Electricity Act 2003, the State Government of Meghalaya notified "The Meghalaya Power Sector Reforms Transfer Scheme 2010", notified on 31st March 2010. The Scheme paved path for the restructuring and unbundling of the erstwhile Meghalaya State Electricity Board (MeSEB). As per the provisions of the aforesaid transfer scheme MeSEB was un-bundled into four entities which are:
 - a) Meghalaya Energy Corporation Limited (MeECL) which is the holding company;
 - b) Meghalaya Power Distribution Corporation Limited (MePDCL) – Distribution Utility;
 - c) Meghalaya Power Generation Corporation Limited (MePGCL)- Generation Utility;
 - d) Meghalaya Power Transmission Corporation Limited (MePTCL)– Transmission Utility.
2. Though the transfer scheme was notified on 31st March 2010, the holding company MeECL continued to carry out the functions of distribution, generation and transmission utilities till 31st March 2012. After notification of amendment to the Power Sector Reforms Transfer Scheme by the State Government on 1st April 2012, the un-bundling of MeECL into MePDCL, MePGCL and MePTCL came into effect.
3. The Government of Meghalaya notified the vesting order of the Assets and Liabilities as on 1st April 2010, in the books of MeECL. Subsequently, the State Government notified the 4th amendment to the Notified Transfer Scheme on 29th April 2015, wherein the opening balances of assets and liabilities of all the four entities namely, MePDCL, MePGCL, MePTCL and MeECL as on 1st April 2012 were ascertained.

4. The instant Petition is being filed by MePGCL in compliance with the Regulation 11 Regulation 4 & 6 of Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2014 as amended from time to time for Trueing Up of Expenses for FY 2023-24 and Approval of Multi Year ARR for FY 2024-25 to FY 2026-27.
5. The Board of Directors of MePGCL have accorded the approval for filing the instant Petition and authorized the undersigned to file the Petition. The copy of the Board's resolution dated 27/11/2024 is annexed to this Petition as Annexure A.
6. The audited statement of accounts of MePGCL and MeECL are annexed to this Petition as Annexure B and C.
7. The Petitioner, therefore humbly prays Hon'ble Commission to:
 - a. To approve the true up of expenses for FY 2023-24 and the principles and methodology adopted by MePGCL for various parameters.
 - b. To approve the Revised ARR for FY 2025-26 and generation tariff for FY 2025-26.
 - c. Allow addition/ modification of the Petition during the course of the proceedings of the Petition.
 - d. To condone any inadvertent omissions, errors and shortcomings and permit the rectification of the same during the course of proceedings of the Petition.
 - e. To pass such order, as the Hon'ble Commission may deem fit and proper and necessary in view of the facts and circumstances of the case.

M. Lyngdoh

SMT. M. LYNGDOH
SUPERINTENDING ENGINEER (P&RM)

For and behalf of
Meghalaya Power Generation Corporation Limited

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1. BACKGROUND

1.1 Description of Parties

The Power Supply Industry in the state of Meghalaya has been under the governance of erstwhile Meghalaya State Electricity board (MeSEB) since 21st January 1975. The State Government on 31st March, 2010 notified "The Meghalaya Power Sector Reforms Transfer Scheme 2010" paving path for the un-bundling of the MeSEB into

- Meghalaya Electricity Corporation Limited (the holding company),
- Meghalaya Power Distribution Corporation Limited (Distribution Utility),
- Meghalaya Power Generation Corporation Limited (Generation Utility)
- Meghalaya Power Transmission Corporation Limited (Transmission Utility).

The aforesaid scheme was further amended on 31st March, 2012, which led to the transfer of assets and liabilities including all rights and obligation and contingencies with effect from 1st April, 2012 to the aforementioned four companies.

The MSERC is an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, which was superseded by Electricity Act (EA), 2003. The Hon'ble Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers.

2. METHODOLOGY ADOPTED FOR TRUE UP PETITION FOR FY 2023-24

MePGCL would like to submit that the true up Petition for FY 2023-24 is being filed as per the provisions of the Regulation 11 of the MSERC (Multi Year Tariff) Regulations, 2014 (herein referred as 2014 Tariff Regulations). As per the Regulation 11.5 of 2014 Tariff Regulations:

The Scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of the Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of:

- a) A comparison of the **audited performance** of the applicant for the previous financial year with the approved forecast for such financial year, subject to the prudence check including pass-through of impact of uncontrollable factors.
- b) Review of the compliance with the directives issued by the Commission from time to time:
- c) Other relevant details.

As evident from the above extract of the Regulations, MePGCL has relied on the audited accounts of the FY 2023-24 for claiming most of the components of Aggregate Revenue Requirement. The detailed assumptions and methodology adopted by MePGCL for various components of the ARR are discussed in detail in the subsequent sections of this chapter.

MePGCL would like to submit that for the purpose of computation of the components of the ARR of various stations, it has relied on the amount and methodology approved by the Hon'ble Commission in Order dated 18.10.2024 in Case No. 34 of 2023 for True Up of Generation Business and the Order dated 24.10.2024 in Case No. 30 of 2023 for Approval of ARR for the fourth control period. However, MePGCL is in the process of filing the review petition against the aforesaid order hence it reserves the right to revise the claims in this petition based on the review. MePGCL would like to further pray that in case the review petition filed by MePGCL is disposed of by the Hon'ble Commission after disposal of the instant Petition, it may be allowed to claim the impact of review on true up of FY 2025-26 separately in next tariff petition.

3. TRUING UP OF EXPENSES OF FY 2023-24

3.1 BACKGROUND

Hon'ble Commission vide order dated 25.03.2021 in Case No. 02 of 2021 has allowed the Multi Year ARR for MePGCL including the ARR of FY 2023-24. The ARR for the year was further revised vide order dated 30.03.2023 in Case no. 27 of 2022- Aggregate Revenue Requirement for FY 2023-24.

Since, the Annual Statement of Accounts for FY 2023-24 have been audited and hence in terms of the provisions of Regulation 11 of the 2014 Tariff Regulations, MePGCL is filing the true up Petition for FY 2023-24.

3.2 REGULATORY PROVISION FOR FILING OF TRUE UP PETITION

The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15th September 2014 which is applicable for determination of tariff effective from 1 April 2015. Regulation 11 of the said Regulations lays down the general guiding principles for truing up and the provisions of the said Regulations are reproduced below for reference:

"11. Truing-Up

11.1 *Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Generating Company or Transmission Licensee or Distribution Licensee is covered under a Multi-Year Tariff framework, then such Generating Company or Transmission Licensee or Distribution Licensee, as the case may be, shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.*

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

11.3 *Provided that the Generating Company or Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be prescribed by the Commission, together with the Audited Accounts including audit report by CA&G, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.*

It is further stated that the amendment to Regulation 11.3 of the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 dated 15th June 2021 is as follows:

"Provided that the Generating Company or Transmission Licensee, as the case may be, shall submit to the Commission information in such form as may be prescribed by the Commission, together with the Audited Accounts including audit report by a Statutory Auditor appointed by C&AG, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges."

11.4 *Provided further that once the Commission notifies the Regulations for submission of Regulatory Accounts applications for tariff determination and truing up shall be based on the Regulatory Accounts.*

11.5 *The scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:*

a) a comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year, subject to the prudence check including pass-through of impact of uncontrollable factors;

b) Review of compliance with directives issued by the Commission from time to time;

c) Other relevant details, if any.

11.6 *In respect of the expenses incurred by the Generating Company, Transmission Licensee and Distribution Licensee during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up.*

11.7 *Upon completion of the truing up under Regulation 11.4 above, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 12 below, to factors within the control of the applicant (controllable factors) or to factors beyond the control of the applicant (uncontrollable factors):*

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 12.1 below shall be attributed entirely to controllable factors.

11.8 *Upon completion of the Truing Up, the Commission shall pass an order recording:*

a) the approved aggregate gain or loss to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that

may be shared in accordance with Regulation 14 of these Regulations;

As per the prevalent practice MePGCL is filing combined Petition for true up with chapter wise breakup of true of individual plants.

3.3 INSTALLED CAPACITY

MePGCL is the state owned power generating company of the state of Meghalaya with an installed capacity of 378.20 MW as on date. All of the generating station of MePGCL are Hydro generating stations.

The Installed Capacity of MePGCL is shown as under:

Table 1 Installed Capacity of MePGCL as on 01.04.2022

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-Umtru Stage III	I	30	60	6.01.1979
		II	30		30.03.1979
4	Umiam-Umtru 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	Sonapani Mini Hydel	I	1.5	1.5	27.10.2009
7	MLHEP (Leshka)	I	42	126	01.04.2012
		II	42		01.04.2012
		III	42		01.04.2013
8	NUHEP (New Umtru)	I	20	40	01.07.2017
		II	20		01.07.2017

Sl. No.	Name of Station	No. of Units	Capacity (MW)	Total Capacity (MW)	Year of Commissioning
9	Lakroh MHP	1	1.5	1.5	01.03.2019
10.	Ganol SHP	3	7.5	22.5	01.08.2023
	Total			378.77	

3.4 PERFORMANCE HIGHLIGHTS

1. Energy Generation

All the Generating stations being hydro, the annual generation is heavily dependent on the rainfall during the year. The generation trend from FY 2019-20 to FY 2023-24 has been presented in the table below:

Table 2: Energy Generation Trend of MePGCL (MU)

Sl. No	Station	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Umiam Stage-I	108.32	149.49	64.92	117.67	84.4
2	Umiam Stage-II	55.25	76.09	33.9	62.11	43.0
3	Umiam-Umtru Stage-III	141.83	163.71	110.19	129.57	108.8
4	Umiam-Umtru Stage-IV	164.5	188.32	125.26	176.00	143.2
5	Sonapani MHP	3.59	6.08	5.55	6.47	5.50
6	MyntduLeshka HEP	421.65	420.61	380.34	359.69	0.00
7	New Umtru HEP	181.43	229.80	160.79	196.24	301.0
8	Lakroh MHP	2.11	3.69	4.04	3.43	162.9
9	Ganol SHP					4.00
Total		1078.68	1237.81	884.99	1051.19	890.3

2. Plant Availability Factor

The Plant Availability Factor of the generating stations for past three years is tabulated below:

Table 3 Actual Plant Availability Factor of MePGCL Generating Stations

o	POWER STATION	2020-21	2021-22	2022-23	2023-24
	Stage-I Power Station, Sumer	95.08	75.94	96.04	83.93
	Stage II Power Station, Umsumer	98.14	98.5	98.33	99.54
	Stage III Power Station, Kyrdemkulai	80.45	83.1	82.6	98.82
	Stage IV Power Station, Nongkhyllem	49.14	48.44	63.68	99.22
	Sonapani Mini Power Station	98.19	92.37	98.51	97.00
	Myntdu Leshka Power Station.	90.87	87.68	59.36	67.81
	New Umtru Power station, Byrnihat	99.54	91.08	90.46	97.01
	Lakroh Power Station	80.80	60.03	77.69	90.12
	Ganol SHP				99.82

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

In accordance with 2014 Tariff Regulations, the ARR of the hydro generating project shall comprise of following:

"54.1 Tariff for supply of electricity from a hydro power generating station shall comprise of two parts, namely, annual capacity charges and energy charges to be in the manner provided hereinafter.

54.2 The fixed cost of a generating station eligible for recovery through annual capacity charges shall consist of:

- (a) Return on equity as may be allowed*
- (b) Interest on Loan Capital;*
- (c) Operation and maintenance expenses;*
- (d) Interest on Working Capital;*
- (e) Depreciation as may be allowed by the Commission;*
- (f) Taxes on Income*

54.3 The annual capacity charges recoverable shall be worked out by deducting other income from the total expenses."

The detailed methodology of Computation of individual component is based out on the orders of the Hon'ble Commission on the Truing Up of expenses for FY 2022-23.

The calculation of the individual components of ARR for following projects is discussed in subsequent chapters:

1. Myntdu-Leshka HEP.
2. New Umtru HEP
3. Lakroh MHP
4. Old plants (Including Sonapani)

5. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR MYNTDU LESHKA HEP

5.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2022-23 as opening for FY 2023-24 which are subject to review. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2023 has been take as the opening GFA as on 01.04.2023.

Table 4 Opening and Closing GFA for MLHEP for FY 2023-24

Particular	Opening GFA AS Allowed by Hon'ble Commission in True Up 2022-23	Addition	Deletion	Closing GFA
Land	23.9	0.00	0	23.90
Buildings	146.67	0.00	0	146.67
Hydraulic Works	622.94	0.00	0	622.94
Other Civil Works	122.7	0.00	0	122.70
Plant & Machinery	364.11	2.22	0	366.33
Lines & cables	4.57	0.01	0	4.58
Vehicles	0.46	0.00	0	0.46
Furniture	0.08	0.00	0	0.08
Office Equipment	0.28	0.10	0	0.38
Total	1285.71	2.33	0.00	1288.04

MePGCL humbly prays the Hon'ble Commission to approve the GFA for MLHEP as above.

5.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon'ble Commission in the True Up of FY 2022-23

Table 5 Movement of Grants for MLHEP

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed
1	Opening GFA	1285.71	1285.71
2	Addition of GFA	0	2.33
3	Retirement of GFA	0	0
4	Closing GFA	1285.71	1288.04
5	Average GFA	1285.71	1286.88
6	Opening Grant	232.14	232.14
7	Add Cap Funded through Grant	0.00	2.23
8	Closing Grant	232.14	234.37
9	Average Grants	232.14	233.26
10	Addition of Fresh Loan for CY Add Cap	0	0.07
11	Addition of Fresh Equity for CY Add- Cap	0	0.03

5.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2022-23. Subject to the outcome of review

The computation of the depreciation is tabulated below:

Table 6 Calculation of Depreciation for MLHEP for FY 2023-24

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the GFA	Rate of Depreciation	Depreciation
Land	23.90	0.00	0.00	23.90	23.90	21.51	0.00%	0.00
Buildings	146.67	0.00	0.00	146.67	146.67	132.00	3.34%	4.41
Hydraulic Works	622.94	0.00	0.00	622.94	622.94	560.65	5.28%	29.60
Other Civil Works	122.70	0.00	0.00	122.70	122.70	110.43	3.34%	3.69
Plant & Machinery	364.11	2.22	0.00	366.33	365.22	328.70	5.28%	17.36
Lines & cables	4.57	0.01	0.00	4.58	4.57	4.12	5.28%	0.22
Vehicles	0.46	0.00	0.00	0.46	0.46	0.41	9.50%	0.04
Furniture	0.08	0.00	0.00	0.08	0.08	0.07	6.33%	0.00
Office Equipment	0.28	0.10	0.00	0.38	0.33	0.30	6.33%	0.02
Total	1285.71	2.33	0.00	1288.04	1286.88	1158.19		55.33
Average Rate of Depreciation								
90% of Average Grants								4.30%
Less: Depreciation on Grants								209.93
Net Depreciation								9.03
								46.31

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for MLHEP for FY 2023-24 as Rs. 46.31 Cr.

5.4 RETURN ON EQUITY

MePGCL would like to submit that the opening equity has been considered 30% of the GFA in accordance with the Regulation 27 of the 2014 Tariff Regulations. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for MLHEP is tabulated below:

Table 7 Calculation of Return on Equity for MLHEP for FY 2023-24

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)
1	Opening GFA	1285.71	1285.71
2	Addition to GFA	0.00	2.33
3	Retirement	0.00	
4	Closing GFA	1285.71	1288.04
5	Average GFA	1,285.71	1,286.88
6	Less Average Grants	232.14	233.26
7	Net Average GFA (not funded through grants)	1,053.57	1,053.62
8	70% of the Debt Components	737.50	737.53
9	30% of the Equity Component	316.071	316.086
10	Rate of Return on Equity	14%	14%
11	Return on Equity	44.25	44.25

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for MLHEP as Rs. 44.25 Cr for FY 2023-24

5.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2022-23. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 8 Calculation of weighted Average Rate of Interest for MLHEP

S No	Particular	PFC Loan for MLHEP	PFC 170 cr Refinancing of Bonds	REC Loan for MLHEP	REC loan 60 Crs (MLHEP)	Total
1	Opening Loan	104.86	106.07	77.01	25.45	313.38
2	Fresh Drawal	0.00	0.00	0.00	0.00	0.00

S No	Particular	PFC Loan for MLHEP	PFC 170 cr Refinancing of Bonds	REC Loan for MLHEP	REC loan 60 Crs (MLHEP)	Total
3	Repayment	16.10	16.29	31.58	10.34	74.32
4	Closing Loan	88.75	89.78	45.43	15.11	239.06
5	Rate of Interest	10.25%	10.25%	12.50%	12.50%	10.71%
6	Interest During the Year	10.00	10.12	7.39	2.07	29.59

The calculation of the interest on loan is tabulated below:

Table 9 Calculation of Interest on Loan for MLHEP for FY 2023-24

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)
1	Opening Loan	227.30	182.19
2	Addition of Loan	0.00	0.07
3	Repayment of Loan	45.11	46.31
4	Closing Loan	182.19	135.95
5	Average Loan	204.75	159.07
6	Weighted Average Rate of Interest	11.59%	10.71%
7	Interest on Loan	23.73	17.04

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs.17.04 Cr. for FY 2023-24

5.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 18.10.2024 in Case No. 34 of 2023 for trueing up of expenses of FY 2022-23 has approved operation and maintenance expenses for MLHEP as Rs. 35.52 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2023-24 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2021-22.

The O&M expenses for FY 2023-24 is tabulated below:

Table 10 Operation and Maintenance Expenses for MLHEP for FY 2023-24

Particular	Amount (Rs. Cr.)
Operation and Maintenance Expenses	37.55

MePGCL prays Hon'ble Commission to approve the O&M Expenses for MLHEP for FY 2023-24 as Rs. 37.55 Cr.

5.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 11 Computation of Interest on Working Capital for MLHEP for FY 2023-24

S No	Particular	Amount (In Rs. Cr.)
1	O&M Expenses for 1 Month	3.13
2	Maintenance Spares	5.97
3	Receivables	25.04
4	Total Working Capital	34.14
5	Rate of Interest	14.85%
6	Interest on Working Capital	5.07

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2023-24 for MLHEP as Rs. 5.07 Cr.

5.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from MLHEP based on the ARR approved by Hon'ble Commission is worked out as Rs. 160.23 Cr.

MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 160.23 Cr.

5.9 AGGREGATE REVENUE REQUIREMENT FOR MLHEP

Based on the computation of the individual components of ARR for MLHEP as detailed out in above paragraphs the ARR and Gap/(surplus) for MLHEP is tabulated below:

Table 12 Aggregate Revenue Requirement for MLHEP for FY 2023-24

S No	Particular	Amount (In Cr.)
1	Depreciation	46.31
2	Return on Equity	44.25
3	O&M Expenses	37.55
4	Interest and Finance Charges	17.04
5	Interest on Working Capital	5.07
6	SLDC Charges	0.00
7	Prior Period Expenses	0.00
	Total AFC	150.22
8	Less Non- Tariff Income	0.00
	Revenue Gap for Review of True Up of FY 2018-19	24.95
	Revenue Gap for Review of True Up of FY 2019-20	13.85
	Revenue Gap for True Up of FY 2020-21	107.48
	Net AFC	296.50
9	Revenue From Operation	160.23
	Revenue Gap/ (Surplus)	136.27

MePGCL humbly requests the Hon'ble Commission to approve the ARR for MLHEP as Rs. 296.50 Cr for 2023-24 and Revenue Gap as Rs.136.27 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

However, MePGCL reserves the right to file review/ appeal against the true up order for FY 2022-23 and the claims of the expenses are liable to change on the basis of outcome of such review/appeal.

6. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR NEW UMTRU HEP

6.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2022-23 as opening for FY 2023-24 which are subject to review. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2023 has been take as the opening GFA as on 01.04.2023.

Table 13 Opening and Closing GFA for NUHEP for FY 2023-24

Particular	Opening GFA AS Allowed by Hon'ble Commission in True Up 2022-23	Addition	Deletion	Closing
Land	1.69	0.03	0.00	1.72
Buildings	91.87	0.00	0.00	91.87
Hydraulic Works	299.32	0.00	0.00	299.32
Other Civil Works	31.98	0.51	0.00	32.49
Plant & Machinery	155.73	7.75	0.00	163.48
Lines & cables	3.48	0.38	0.00	3.86
Vehicles	1.83	0.00	0.00	1.83
Furniture	0.10	0.00	0.00	0.10
Office Equipment	0.05	0.05	0.00	0.10
Total	586.05	8.72	0.00	594.77

MePGCL humbly prays the Hon'ble Commission to approve the GFA for NUHEP as above.

6.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon'ble Commission in the True Up of FY 2022-23

Table 14 Movement of Grants for NUHEP

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed
1	Opening GFA	585.03	585.03
2	Addition of GFA	0.03	8.72
3	Retirement of GFA	0	0
4	Closing GFA	585.06	593.75
5	Average GFA	585.05	589.39
6	Opening Grant	0	0
7	Add Cap Funded through Grant	0.00	8.65
8	Closing Grant	0.00	8.65
9	Average Grants	0.00	4.32
10	Addition of Fresh Loan for CY Add Cap	0.02	0.05
11	Addition of Fresh Equity for CY Add-Cap	0.01	0.02

6.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2022-23. Subject to the outcome of review

The computation of the depreciation is tabulated below:

Table 15 Calculation of Depreciation for MLHEP for FY 2023-24

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the GFA	Rate of Depreciation	Depreciation
Land	1.69	0.03	0.00	1.72	1.71	1.54	0.00%	0.00
Buildings	91.87	0.00	0.00	91.87	91.87	82.68	3.34%	2.76
Hydraulic Works	299.32	0.00	0.00	299.32	299.32	269.39	5.28%	14.22
Other Civil Works	31.98	0.51	0.00	32.49	32.24	29.01	3.34%	0.97
Plant & Machinery	155.73	7.75	0.00	163.48	159.61	143.64	5.28%	7.58
Lines & cables	3.48	0.38	0.00	3.86	3.67	3.30	5.28%	0.17
Vehicles	1.83	0.00	0.00	1.83	1.83	1.65	9.50%	0.16
Furniture	0.10	0.00	0.00	0.10	0.10	0.09	6.33%	0.01
Office Equipment	0.05	0.05	0.00	0.10	0.07	0.07	6.33%	0.00
Total	586.05	8.72	0.00	594.77	590.41	531.37		25.88
Average Rate of Depreciation								
90% of Average Grants								4.38%
Less: Depreciation on Grants								0.00
Net Depreciation								0.00
								25.88

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for NUHEP for FY 2023-24 as Rs. 25.88 Cr.

5.4 RETURN ON EQUITY

MePGCL would like to submit that the opening equity has been considered 30% of the GFA in accordance with the Regulation 27 of the 2014 Tariff Regulations. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for MLHEP is tabulated below:

Table 16 Calculation of Return on Equity for NUHEP for FY 2023-24

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)
1	Opening GFA	586.03	585.03
2	Addition to GFA	0.03	8.72
3	Retirement	0.00	
4	Closing GFA	586.06	593.75
5	Average GFA	586.05	589.39
6	Less Average Grants	0.00	4.32
7	Net Average GFA (not funded through grants)	586.05	585.07
8	70% of the Debt Components	410.23	409.55
9	30% of the Equity Component	175.8135	175.52
10	Rate of Return on Equity	14%	14%
11	Return on Equity	24.61	24.57

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for NUHEP as Rs. 24.57 Cr for FY 2023-24

6.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2022-23. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 17 Calculation of weighted Average Rate of Interest for NUHEP

S No	Particular	PFC Loan for NUHEP
1	Opening Loan	312.86
2	Fresh Drawal	0.00
3	Repayment	31.45

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S No	Particular	PFC Loan for NUHEP
4	Closing Loan	281.41
5	Rate of Interest	10.38%
6	Interest During the Year	30.83

The calculation of the interest on loan is tabulated below:

Table 18 Calculation of Interest on Loan for NUHEP for FY 2023-24

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)
1	Opening Loan	279.85	254.19
2	Addition of Loan	0.02	0.05
3	Repayment of Loan	25.68	26.50
4	Closing Loan	254.19	227.74
5	Average Loan	267.02	240.97
6	Weighted Average Rate of Interest	11.31%	10.38%
7	Interest on Loan	30.19	25.00

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs. 25.00 Cr. for FY 2023-24

6.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 18.10.2024 in Case No. 34 of 2023 for trueing up of expenses of FY 2022-23 has approved operation and maintenance expenses for NUHEP as Rs. 13.54 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2023-24 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2022-23.

The O&M expenses for FY 2023-24 is tabulated below:

Table 19 Operation and Maintenance Expenses for NUHEP for FY 2023-24

Particular	Amount (Rs. Cr.)
Operation and Maintenance Expenses	14.21

MePGCL prays Hon'ble Commission to approve the O&M Expenses for NUHEP for FY 2023-24 as Rs. 14.21 Cr.

6.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 20 Computation of Interest on Working Capital for NUHEP for FY 2023-24

S No	Particular	Amount (In Rs. Cr.)
1	O&M Expenses for 1 Month	1.18
2	Maintenance Spares	2.26
3	Receivables	15.41
	Total Working Capital	18.85
	Rate of Interest	14.85%
	Interest on Working Capital	2.80

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2023-24 for NUHEP as Rs. 2.80 Cr.

6.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from NUHEP based on the ARR approved by Hon'ble Commission is worked out as Rs. 53.20 Cr.

MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 53.20 Cr.

6.9 AGGREGATE REVENUE REQUIREMENT FOR NUHEP

Based on the computation of the individual components of ARR for NUHEP as detailed out in above paragraphs the ARR and Gap/(surplus) for NUHEP is tabulated below:

Table 21 Aggregate Revenue Requirement for NUHEP for FY 2023-24

S No	Particular	Amount (In Cr.)
1	Depreciation	25.88
2	Return on Equity	24.57
3	O&M Expenses	14.21
4	Interest and Finance Charges	25.00
5	Interest on Working Capital	2.80
6	SLDC Charges	0.00
7	Prior Period Expenses	0.00
	Total AFC	92.46
8	Less Non- Tariff Income	0.00
	Revenue Gap for Review of True Up of FY 2018-19	74.40
	Revenue Gap for Review of True Up of FY 2019-20	73.77
	Revenue Gap for True Up of FY 2020-21	75.08
	Net AFC	315.71
9	Revenue From Operation	53.20
	Revenue Gap/ (Surplus)	262.51

MePGCL humbly requests the Hon'ble Commission to approve the ARR for NUHEP as Rs. 315.71 Cr for 2023-24 and Revenue Gap as Rs.262.51 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

However, MePGCL reserves the right to file review/ appeal against the aforesaid order and the claim of the O&M expenses is liable to change on the basis of outcome of such review/appeal.

7. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR LAKROH SMALL HEP

7.1 GROSS FIXED ASSETS (GFA)

As stated above that while filing the Instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2022-23 as opening for FY 2023-24 which are subject to review. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2023 has been take as the opening GFA as on 01.04.2023.

Table 22 Opening and Closing GFA for LAKROH for FY 2023-24

Particular	Opening GFA AS Allowed by Hon'ble Commission In True Up 2022-23	Addition	Deletion	Closing GFA
Land	0	0.00	0	0.00
Buildings	2.36	0.10	0	2.46
Hydraulic Works	9.37	0.00	0	9.37
Other Civil Works	2.18	0.01	0	2.19
Plant & Machinery	7.29	0.00	0	7.29
Lines & cables	1.52	0.02	0	1.54
Vehicles	0	0.00	0	0.00
Furniture	0.01	0.00	0	0.01
Office Equipment	0.01	0.00	0	0.01
Total	22.74	0.13	0.00	22.87

MePGCL humbly prays the Hon'ble Commission to approve the GFA for Lakroh as above.

7.2 MOVEMENT OF GRANTS

MePGCL has considered the movement of the grants as approved by the Hon'ble Commission in the True Up of FY 2022-23

Table 23 Movement of Grants for LAKROH

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed
1	Opening GFA	22.68	22.73
2	Addition of GFA	0.05	0.13
3	Retirement of GFA	0	0
4	Closing GFA	22.73	22.86
5	Average GFA	22.71	22.79
6	Opening Grant	11.75	11.75
7	Add Cap Funded through Grant	0.00	0.00
8	Closing Grant	11.75	11.75
9	Average Grants	11.75	11.75
10	Addition of Fresh Loan for CY Add Cap	0.04	0.09
11	Addition of Fresh Equity for CY Add- Cap	0.02	0.04

7.3 DEPRECIATION

MePGCL would like to submit that it has calculated the depreciation as per the methodology adopted by Hon'ble Commission in the True Up order for FY 2022-23. Subject to the outcome of review

The computation of the depreciation is tabulated below:

Table 24 Calculation of Depreciation for Lakroh for FY 2023-24

Particular	Opening GFA	Addition	Deletion	Closing GFA	Average GFA	90% of the GFA	Rate of Depreciation	Depreciation
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Buildings	2.36	0.10	0.00	2.46	2.41	2.17	3.34%	0.07
Hydraulic Works	9.37	0.00	0.00	9.37	9.37	8.43	5.28%	0.45
Other Civil Works	2.18	0.01	0.00	2.19	2.18	1.96	3.34%	0.07
Plant & Machinery	7.29	0.00	0.00	7.29	7.29	6.56	5.28%	0.35
Lines & cables	1.52	0.02	0.00	1.54	1.53	1.38	5.28%	0.07
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
Furniture	0.01	0.00	0.00	0.01	0.01	0.01	6.33%	0.00
Office Equipment	0.01	0.00	0.00	0.01	0.01	0.01	6.33%	0.00
Total	22.74	0.13	0.00	22.87	22.80	20.52		1.00
Average Rate of Depreciation								
90% of Average Grants								4.40%
Less: Depreciation on Grants								10.58
Net Depreciation								0.47
								0.54

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for LAKROH for FY 2023-24 as Rs. 0.54 Cr.

7.4 RETURN ON EQUITY

MePGCL would like to submit that the opening equity has been considered 30% of the GFA in accordance with the Regulation 27 of the 2014 Tariff Regulations. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for MLHE is tabulated below:

Table 25 Calculation of Return on Equity for LAKROH for FY 2023-24

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)
1	Opening GFA	22.68	22.73
2	Addition to GFA	0.05	0.13
3	Retirement	0.00	
4	Closing GFA	22.73	22.86
5	Average GFA	22.71	22.79
6	Less Average Grants	11.75	11.75
7	Net Average GFA (not funded through grants)	10.96	11.04
8	70% of the Debt Components	7.67	7.73
9	30% of the Equity Component	3.29	3.31
10	Rate of Return on Equity	14%	14%
11	Return on Equity	0.46	0.46

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for Lakroh as Rs. 0.46 Cr for FY 2023-24

7.5 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2022-23. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

Table 26 Calculation of weighted Average Rate of Interest for LAKROH

S No	Particular	PFC Loan for LAKROH
1	Opening Loan	5.27
2	Fresh Drawal	0.00

S No	Particular	PFC Loan for LAKROH
3	Repayment	0.40
4	Closing Loan	4.87
5	Rate of Interest	9.99%
6	Interest During the Year	0.51

The calculation of the interest on loan is tabulated below:

Table 27 Calculation of Interest on Loan for LAKROH for FY 2023-24

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)
1	Opening Loan	4.55	3.58
2	Addition of Loan	0.03	0.09
3	Repayment of Loan	1.00	0.54
4	Closing Loan	3.58	3.13
5	Average Loan	4.07	3.36
6	Weighted Average Rate of Interest	10.18%	9.99%
7	Interest on Loan	0.41	0.34

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs. 0.34 Cr. for FY 2023-24

7.6 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 18.10.2024 in Case No. 34 of 2023 for trueing up of expenses of FY 2022-23 has approved operation and maintenance expenses for LAKROH as Rs. 0.56 Cr. Accordingly, MePGCL is claiming operation and maintenance expenses for FY 2023-24 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2022-23.

The O&M expenses for FY 2023-24 is tabulated below:

Table 28 Operation and Maintenance Expenses for LAKROH for FY 2023-24

Particular	Amount (Rs. Cr.)
Operation and Maintenance Expenses	0.59

MePGCL prays Hon'ble Commission to approve the O&M Expenses for Lakroh for FY 2023-24 as Rs. 0.59 Cr.

7.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 29 Computation of Interest on Working Capital for LAKROH for FY 2023-24

S No	Particular	Amount (In Rs. Cr.)
1	O&M Expenses for 1 Month	0.05
2	Maintenance Spares	0.09
3	Receivables	0.33
	Total Working Capital	0.48
	Rate of Interest	14.85%
	Interest on Working Capital	0.07

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2023-24 for LAKROH as Rs. 0.07 Cr.

7.8 REVENUE FROM SALE OF POWER

The revenue from sale of power from Lakroh based on the ARR approved by Hon'ble Commission is worked out as Rs. 1.60 Cr.
MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 1.60 Cr.

7.9 AGGREGATE REVENUE REQUIREMENT FOR LAKROH

Based on the computation of the individual components of ARR for Lakroh as detailed out in above paragraphs the ARR and Gap/(surplus) for LAKROH is tabulated below:

Table 30 Aggregate Revenue Requirement for LAKROH for FY 2023-24

S No	Particular	Amount (In Cr.)
1	Depreciation	0.54
2	Return on Equity	0.46
3	O&M Expenses	0.59
4	Interest and Finance Charges	0.34
5	Interest on Working Capital	0.07
6	SLDC Charges	0.00
7	Prior Period Expenses	0.00
	Total AFC	2.00
8	Less Non- Tariff Income	0.00
	Revenue Gap for Review of True Up of FY 2018-19	0.00
	Revenue Gap for Review of True Up of FY 2019-20	1.53
	Revenue Gap for True Up of FY 2020-21	1.36
	Net AFC	4.89
9	Revenue From Operation	1.60
	Revenue Gap/ (Surplus)	3.29

MePGCL humbly requests the Hon'ble Commission to approve the ARR for LAKROH as Rs. 4.89 Cr for 2023-24 and Revenue Gap as Rs.3.29 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

However, MePGCL reserves the right to file review/ appeal against the True Up order for FY 2022-23 and the claims of the expenses are liable to change on the basis of outcome of such review/appeal.

8. TRUE UP AGGREGATE REVENUE REQUIREMENT FOR OLD STATIONS MEPGCL (INCLUDING SONAPANI)

8.1 GROSS FIXED ASSETS (GFA) AND MOVEMENT OF GRANTS

As stated above that while filing the instant Petition MePGCL has taken all the closing figures approved by Hon'ble Commission in the True Up of FY 2022-23 as opening for FY 2023-24 which are subject to review. Hence, the closing GFA approved by Hon'ble Commission as on 31.03.2023 has been taken as the opening GFA as on 01.04.2023.

Table 31 Opening and Closing GFA for Movement of Grants OLD STATIONS for FY 2023-24

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed
1	Opening GFA	50.46	51.74
2	Addition of GFA	1.3	23.44
3	Retirement of GFA	0.02	0
4	Closing GFA	51.74	75.18
5	Average GFA	51.10	63.46
6	Opening Grant	22.46	22.46
7	Add Cap Funded through Grant	0.00	20.70
8	Closing Grant	22.46	43.16
9	Average Grants	22.46	32.81
10	Addition of Fresh Loan for CY Add Cap	0.90	1.91
11	Addition of Fresh Equity for CY Add- Cap	0.38	0.82

MePGCL humbly prays the Hon'ble Commission to approve the GFA for Old Stations as above.

8.2 DEPRECIATION

MePGCL would like to submit that It has calculated the depreciation as per the methodology adopted by Hon'ble Commission In the True Up order for FY 2022-23. Subject to the outcome of review

The computation of the depreciation is tabulated below:

Table 32 Depreciation for Old Stations for FY 2023-24

S No	Particulars	True Up FY 2022-23 Approved	True Up FY 2023-24 Claimed
1	Opening GFA	50.46	51.74
2	Addition	1.30	23.44
3	Retirement	0.02	0
4	Closing GFA	51.74	75.18
5	Average GFA	51.10	63.46
6	90% of Average Assets	45.99	57.11
7	Depreciation @5.28%	2.43	3.02
8	90% of Average Grants	20.21	29.53
9	Less: Dep on Grants	1.07	1.56
10	Net Depreciation	1.36	1.46

MePGCL humbly prays the Hon'ble Commission to approve the depreciation for OLD STATIONS for FY 2023-24 as Rs. 1.46 Cr.

8.3 RETURN ON EQUITY

MePGCL would like to submit that the opening equity has been considered 30% of the GFA in accordance with the Regulation 27 of the 2014 Tariff Regulations. The rate of return on equity as been considered as 14% in accordance with the provisions of 2014 Tariff Regulations. The calculation of Return on Equity for MLHEP is tabulated below:

Table 33 Calculation of Return on Equity for OLD STATIONS for FY 2023-24

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)
1	Opening GFA	50.46	51.74
2	Addition to GFA	1.30	23.44
3	Retirement	0.02	
4	Closing GFA	51.74	75.18
5	Average GFA	51.10	63.46
6	Less Average Grants	22.46	32.81
7	Net Average GFA (not funded through grants)	28.64	30.65
8	70% of the Debt Components	20.05	21.45
9	30% of the Equity Component	8.59	9.19
10	Rate of Return on Equity	14%	14%
11	Return on Equity	1.20	1.29

MePGCL humbly prays the Hon'ble Commission to approve the return on equity for Old Stations as Rs. 1.29 Cr for FY 2023-24

8.4 INTEREST ON LOAN

Interest on loan has been computed as per the provisions of Regulations 27 and Regulation 32 of the 2014 Tariff Regulations and methodology adopted by Hon'ble Commission in True Up order for FY 2022-23. The weighted average rate of interest has been computed on the actual loans running as tabulated below:

MePGCL would like as of now there is no loan running for the old station as the loans given by State Government along with the accrued interest are being converted to equity hence the weighted average rate of interest of company as a whole has been taken for computation of interest on loan.

Table 34 Calculation of weighted Average Rate of Interest for OLD STATIONS

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)
1	Opening Loan	0.00	0.21
2	Addition of Loan	0.89	1.91
3	Repayment of Loan	0.68	1.46
4	Closing Loan	0.21	0.67
5	Average Loan	0.11	0.44
6	Weighted Average Rate of Interest	4.68%	10.36%
7	Interest on Loan	0.01	0.05

MePGCL humbly prays the Hon'ble Commission to approve interest on loan as Rs. 0.05 Cr. for FY 2023-24

8.5 OPERATION AND MAINTENANCE EXPENSES

Regulation 56 of MSERC Tariff Regulations, 2014 provides for Operation and Maintenance Expenses and is reproduced as under:

"56 (7) "In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation at 5.72% for the subsequent years."

Hon'ble Commission vide order dated 18.10.2024 in Case No. 34 of 2023 for truing up of expenses of FY 2022-23 has approved operation and maintenance expenses for OLD STATIONS as Rs. 35.74 Cr. Accordingly, MePGCL is claiming operation and

maintenance expenses for FY 2023-24 by applying an escalation of 5.72% over and above the approved O&M expenses for FY 2022-23.

The O&M expenses for FY 2023-24 is tabulated below:

Table 35 Operation and Maintenance Expenses for OLD STATIONS for FY 2023-24

Particular	Amount (Rs. Cr.)
Operation and Maintenance Expenses	37.78

MePGCL prays Hon'ble Commission to approve the O&M Expenses for Old Stations for FY 2023-24 as Rs. 37.78 Cr.

8.6 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 36 Computation of Interest on Working Capital for OLD STATIONS for FY 2023-24

S No	Particular	Amount (In Rs. Cr.)
1	O&M Expenses for 1 Month	3.15
2	Maintenance Spares	6.01
3	Receivables	7.51
	Total Working Capital	16.67
	Rate of Interest	14.85%
	Interest on Working Capital	2.48

MePGCL humbly prays the Hon'ble Commission to approve interest on working capital for FY 2023-24 for OLD STATIONS as Rs. 2.48 Cr.

8.7 REVENUE FROM SALE OF POWER

The revenue from sale of power from Old Stations based on the ARR approved by Hon'ble Commission is worked out as Rs. 244.15 Cr.

MePGCL prays the Hon'ble Commission to approve the revenue as Rs. 244.15 Cr.

8.8 AGGREGATE REVENUE REQUIREMENT FOR OLD STATIONS

Based on the computation of the individual components of ARR for Old Stations as detailed out in above paragraphs the ARR and Gap/(surplus) for OLD STATIONS is tabulated below:

Table 37 Aggregate Revenue Requirement for OLD STATIONS for FY 2023-24

S No	Particular	Amount (In Cr.)
1	Depreciation	1.46
2	Return on Equity	1.29
3	O&M Expenses	37.78
4	Interest and Finance Charges	0.05
5	Interest on Working Capital	2.48
6	SLDC Charges	2.04
7	Prior Period Expenses	0.00
	Total AFC	45.09
8	Less Non- Tariff Income	0.00
	Revenue Gap for Review of True Up of FY 2018-19	3.08
	Revenue Gap for Review of True Up of FY 2019-20	2.83
	Revenue Gap for True Up of FY 2020-21	-62.19*
	Net AFC	-11.19
9	Revenue From Operation	244.15
	Revenue Gap/ (Surplus)	-255.34

*MePGCL would like to submit that MePGCL reported vide note no.24.1 that "In the year 2017-18, Company had not recognized the income amounting Rs. 3,647,860,402.00 in absence of certainty of their realization. Out of the Rs. 1,647,860,402.00, Rs. 825,173,653.00 had been recognized by the company during the FY 2018-19 as revenue. The balance 822,686,749.00 has been recognized as revenue during the FY 2020-21 Part of Revenue of Rs.82.27 Crore out of the

Revenue Received for Rs.257.13 Crore during the FY 2020-21 cannot be considered for Apportionment against the previous year FY 2017-18. However, Hon'ble Commission has considered this revenue also while deciding the true up for FY 2020-21 and hence the same has been corrected in the instant petition.

MePGCL humbly requests the Hon'ble Commission to approve the ARR for OLD STATIONS as (-) Rs. 11.19 Cr for 2023-24 and Revenue Gap as (-) Rs.255.34 Cr.

The detailed calculation of the individual components of ARR is being submitted in soft copy in form of excel model.

However, MePGCL reserves the right to file review/ appeal against the True Up order for FY 2022-23 and the claims of the expenses are liable to change on the basis of outcome of such review/appeal.

9. CONSOLIDATED ARR FOR MEPGCL AS A WHOLE

Based on the calculation of the ARR for individual plants in the above chapters the consolidated ARR and Gap for MePGCL as a whole is tabulated below:

Particular	MLHEP	NUHEP	Lakroh	Old Station
Depreciation	46.31	25.88	0.54	1.46
Return on Equity	44.25	24.57	0.46	1.29
Operating Expenses	37.55	14.21	0.59	37.78
Interest and Finance Charges	16.48	25.00	0.34	0.05
Interest on Working Capital	5.06	2.80	0.07	2.48
DOC Charges	0.00	0.00	0.00	2.04
Short Period Expenses	0.00	0.00	0.00	0.00
Total AFC	149.65	92.46	2.00	45.09
Non-Tariff Income	0.00	0.00	0.00	0.00
Revenue Gap for Review of True Up of FY 2018-19	24.95	74.40	0.00	3.08
Revenue Gap for Review of True Up of FY 2019-20	13.85	73.77	1.53	2.83
Revenue Gap for True Up of FY 2020-21	107.48	75.08	1.36	-62.19
Total AFC	295.93	315.71	4.89	-11.19
Revenue From Operation	160.23	53.20	1.60	244.15
Revenue Gap/ (Surplus)	135.70	262.51	3.29	-255.34
Total Gap	146.17			

Table 38 Computation of Revenue Gap for FY 2023-24

Total Gap for MePGCL for FY 2023-24	146.17
Pension Liabilities Accrued IIInd Instalment	67.34
Gap After Comprehensive Income	213.51

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MePGCL thus prays Hon'ble Commission to approve the consolidated Gap of Rs.131.64 Cr for FY 2023-24.

10. DETERMINATION OF AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26 AND DETERMINATION OF GENERATION TARIFF FOR 2025-26

MePGCL would like to submit that the Aggregate Revenue Requirement for FY 2025-26 was approved by Hon'ble Commission vide order dated 24.10.2024 in Case No.30 of 2023. In the instant Petition, MePGCL is submitting the revised ARR for FY 2025-26. MePGCL would like to submit that the components of the ARR have been revised only to the extent of inclusion of capitalization and funding pattern of the capitalization for FY 2023-24. However, as stated earlier that MePGCL is in the process of filing review Petition against the order dated 18.10.2024 in Case No. 34 of 2023 for Truing Up of Generation Business for FY 2022-23. Hence, MePGCL would like to humbly submit that it reserves the right to change the claims made under this Petition based on the outcome of the review. In case Hon'ble Commission disposes of the review Petition after issuance of the Order in the instant Petition, MePGCL craves liberty from the Hon'ble Commission to revised the claim at the time of truing up of FY 2025-26.

10.1 REGULATORY BACKGROUND FOR MYT ARR PETITION

As per Regulation 4 of the 2014 Tariff Regulations:

The Hon'ble Commission has notified the Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2014 on 15th September 2014. It is submitted that Meghalaya State Electricity Regulatory Commission (Multi Year Tariff) regulations, 2014 since amended via notification dated 3rd August 2023, states as under:

"MSERC hereby extends applicability of MYT Regulations for a fourth term of MYT control period from 1.04.2024 to 31.03.2027".

The Regulation 6 of the MYT Regulations, 2014, provides the guidelines for filing of Multi Year Tariff. The relevant sections are reproduced below:

"6 Accounting statement and filing under MYT

6.1 The filing under MYT by the Generating Company, Transmission Licensee, and Distribution Licensee, shall be done on or before 30th November each year to the Commission and in compliance with the principles for determination of ARR as specified in these Regulations, in such formats and at such time as may be prescribed by the Commission from time to time. The

filing of truing up of petitions prior to MYT period shall be done in the manner and at such time as may be decided by the Commission.

6.2 The filing of MYT Petition for the Control Period under these Regulations shall be as under:

a) MYT Petition shall comprise of:

i. Multi-year Aggregate Revenue Requirement for the entire Control Period with year-wise details;

ii. Revenue from the sale of power at existing tariffs and charges and projected revenue gap, for the first year of the Control Period under these Regulations.

iii. Application for determination of tariff for first year of the Control Period.

.....

MePGCL requests the Commission to consider the MYT petition based on the finalized statement of accounts for FY 2023-24 and provisional statement of account for FY 2024-25. This is applicable and allowable as per Clause 18 of the MSERC Multi Year Tariff Regulations, 2014 which is given below:

"18 Filing Procedure

18.1 The applicant shall file the petition for approval of truing up of previous year and tariff for ensuing financial year on or before 30 November each year provided that MYT petition for FY 2015-16 to 2017-18 shall be filed along with the business plan.....

18.2 Provided that the information should be based on audited accounts and in case audited accounts of previous year is not available audited accounts for the year immediately preceding the previous year should be filed along with the unaudited accounts for the previous year"

MePGCL would like to submit the MYT ARR Petition has been prepared based on the provisions of the aforesaid Regulations and the Order of Hon'ble Commission dated 18.10.2024 in Case No. 34 of 2023 (Truing Up of FY 2022-23)

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

11.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2024 have been taken as the closing GFA of 2023-24. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 39 GFA for MLHEP for FY 2025-26

GFA	2022-23 Approved	2023-24 True Up	2024-25 Revised	2025-26 Revised
Opening GFA	1285.71	1285.71	1288.04	1289.04
Addition	0.00	2.33	1.00	44.50
Closing GFA	1285.71	1288.04	1289.04	1333.54

11.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for MLHEP has been tabulated below:

Table 40 Movement of Grants

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed	FY 2024-25	FY 2025-26
1	Opening GFA	1285.71	1285.71	1288.04	1289.04
2	Addition of GFA	0	2.33	1.00	44.50
3	Retirement of GFA	0	0	0.00	0.00
4	Closing GFA	1285.71	1288.04	1289.04	1333.54
5	Average GFA	1285.71	1286.88	1288.54	1311.29
6	Opening Grant	232.14	232.14	234.37	234.37
7	Add Cap Funded through Grant	0.00	2.23	0.00	0.00

11.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for FY 2022-23. Accordingly, closing loan of FY 2023-24 has been considered as the opening loan of 2024-25 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2023-24 has been considered for 2024-25 and 2025-26. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 42 Interest on Loan for MLHEP for FY 2025-26

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)	2024-25	2025-26
1	Opening Loan	227.30	182.19	126.97	83.45
2	Addition of Loan	0.00	0.07	0.70	31.15
3	Repayment of Loan	45.11	55.29	44.22	45.28
4	Closing Loan	182.19	126.97	83.45	69.33
5	Average Loan	204.75	154.58	105.21	76.39
6	Weighted Average Rate of Interest	11.59%	10.71%	10.71%	10.71%
7	Interest on Loan	23.73	16.02	11.27	8.18

MePGCL prays Hon'ble Commission to approve the Interest on loan for MLHEP project as tabulated above.

11.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 43 Calculation of Depreciation for MLHEP for FY 2025-26

S No	Particular	Opening GFA of 2025-26	Addition	Deletion	Closing GFA	Average GFA	90% of Average GFA	Rate of Depreciation	Depreciation
1	Land	23.90	0.00	0	23.90	23.90	21.51	0.00%	0.00
2	Buildings	146.67	0.00	0	146.67	146.67	132.00	3.34%	4.41
3	Hydraulic Works	622.94	0.00	0	622.94	622.94	560.65	5.28%	29.60
4	Other Civil Works	122.70	0.00	0	122.70	122.70	110.43	3.34%	3.69
5	Plant & Machinery	367.33	44.50	0	411.83	389.58	350.62	5.28%	18.51
6	Lines & cables	4.58	0.00	0	4.58	4.58	4.12	5.28%	0.22
7	Vehicles	0.46	0.00	0	0.46	0.46	0.41	9.50%	0.04
8	Furniture	0.08	0.00	0	0.08	0.08	0.07	6.33%	0.00
9	Office Equipment	0.38	0.00	0	0.38	0.38	0.34	6.33%	0.02
Total		1289.04	44.50	0.00	1333.54	1311.29	1180.16		56.50
11	Weighted Average Rate of Depreciation								4.79%
12	90% of Average Grants in GFA								234.37
13	Depreciation on Average Grants								11.22
14	Net Depreciation								45.28

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

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Table 45 Aggregate Revenue Requirement for MLHEP for FY 2025-26

S No	Particular	Allowed by Commission in Tariff Order	Revised ARR FY 2025-26
1	Depreciation	46.20	45.28
2	Return on Equity	45.23	45.23
3	O&M Expenses	41.97	41.97
4	Interest and Finance Charges	9.87	8.18
5	Interest on Working Capital	5.18	5.09
6	SLDC Charges	0.00	0.00
7	Prior Period Expenses	0.00	0.00
	Total AFC	148.45	145.75
8	Less Non- Tariff Income	0.00	0.00
	Net AFC	148.45	145.75
9	Add Gap for True UP FY 2023-24		136.27
10	Gross ARR for FY 2025-26	148.45	282.02

MePGCL prays the Hon'ble Commission to approve the ARR for MLHEP as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

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AND GENERATION TARIFF FOR FY 2025-26**

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed	FY 2024- 25	FY 2025- 26
8	Closing Grant	0.00	8.65	8.65	8.65
9	Average Grants	0.00	4.32	8.65	8.65
10	Addition of Fresh Loan for CY Add Cap	0.021	0.05	0.00	0.35
11	Addition of Fresh Equity for CY Add-Cap	0.009	0.02	0.00	0.15

12.3 RETURN ON EQUITY

The opening equity for 2024-25 has been considered as the closing equity of the FY 2023-24. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 48 Calculation off Return on Equity for NUHEP for FY 2025-26

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)	2024-25	2025-26
1	Opening GFA	586.03	585.03	593.75	593.75
2	Addition to GFA	0.03	8.72	0.00	0.00
3	Retirement	0.00	0.00	0.00	0.00
4	Closing GFA	586.06	593.75	593.76	593.75
5	Average GFA	586.05	589.39	593.75	593.75
6	Less Average Grants	0.00	4.32	8.65	8.65
7	Net Average GFA (not funded through grants)	586.05	585.07	585.11	585.11
8	70% of the Debt Components	410.23	409.55	409.57	409.57
9	30% of the Equity Component	175.81	175.52	175.53	175.53
10	Rate of Return on Equity	14%	14%	14%	14%
11	Return on Equity	24.61	24.57	24.57	24.57

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

12.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for FY 2022-23. Accordingly, closing loan of FY 2023-24 has been considered as the opening loan of 2024-25 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2023-24 has been considered for 2024-25 and 2025-26. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 49 Interest on Loan for NUHEP for FY 2025-26

S No	Particular	True Up FY 2022- 23 (Allowed)	True Up FY 2023-24 (Claimed)	2024-25	2025-26
1	Opening Loan	279.85	254.19	227.74	202.08
2	Addition of Loan	0.02	0.05	0.00	0.35
3	Repayment of Loan	25.68	26.50	25.66	25.67
4	Closing Loan	254.19	227.74	202.08	176.76
5	Average Loan	267.02	240.97	214.91	189.42
6	Weighted Average Rate of Interest	11.31%	10.38%	10.38%	10.38%
7	Interest on Loan	30.19	24.97	22.30	19.65

MePGCL prays Hon'ble Commission to approve the Interest on loan for NUHEP project as tabulated above.

12.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 50 Calculation of Depreciation for NUHEP for FY 2025-26

S No	Particular	Opening GFA of 2025-26	Addition	Deletion	Closing GFA	Average GFA	90% of Average GFA	Rate of Depreciation	Depreciation
1	Land	1.72	0.00	0	1.72	1.72	1.55	0.00%	0.00
2	Buildings	91.87	0.00	0	91.87	91.87	82.68	3.34%	2.76
3	Hydraulic Works	299.32	0.00	0	299.32	299.32	269.39	5.28%	14.22
4	Other Civil Works	32.49	0.00	0	32.50	32.50	29.25	3.34%	0.98
5	Plant & Machinery	163.48	0.00	0	163.48	163.48	147.13	5.28%	7.77
6	Lines & cables	3.86	0.00	0	3.86	3.86	3.48	5.28%	0.18
7	Vehicles	1.83	0.00	0	1.83	1.83	1.65	9.50%	0.16
8	Furniture	0.10	0.00	0	0.10	0.10	0.09	6.33%	0.01
9	Office Equipment	0.10	0.50	0	0.60	0.35	0.31	6.33%	0.02
	Total	594.78	0.50	0.00	595.28	595.03	535.52		26.10
11	Weighted Average Rate of Depreciation								
12	90% of Average Grants in GFA								4.87%
13	Depreciation on Average Grants								8.65
14	Net Depreciation								0.42
									25.67

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

12.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon'ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

12.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 51 Interest on Working Capital for FY 2025-26 for NUHEP

S No	Particular	2025-26
1	O&M Expenses for 1 Month	1.43
2	Maintenance Spares	2.88
3	Receivables	15.15
	Total Working Capital	19.47
	Rate of Interest	14.85%
	Interest on Working Capital	2.89

12.8 AGGREGATE REVENUE REQUIREMENT

Based on the computation of the individual components the Aggregate Revenue Requirement of NUHEP for fourth control period is tabulated below:

Table 52 Aggregate Revenue Requirement for NUHEP for Fourth Control Period

S No	Particular	Allowed by Commission in Tariff Order	Revised for FY 20
1	Depreciation	25.69	25.6
2	Return on Equity	24.63	24.5
3	O&M Expenses	15.88	18.1
4	Interest and Finance Charges	21.50	19.6
5	Interest on Working Capital	2.81	2.8
6	SLDC Charges	0.00	0.0
7	Prior Period Expenses	0.00	0.0
	Total AFC	90.51	90.9
8	Less Non- Tariff Income	0.00	0.0
	Net AFC	90.51	90.9
9	Add Gap for True UP FY 2023-24		262.1
10	Gross ARR for FY 2025-26	90.51	353.0

MePGCL prays the Hon'ble Commission to approve the ARR for NUHEP as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

13. DETERMINATION OF AGGREGATE REVENUE REQUIREMENT FOR FOURTH CONTROL PERIOD 2024-25 TO 2026-27 FOR LAKROH SMALL HEP AND DETERMINATION OF TARIFF FOR 2024-25

13.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2024 have been taken as the closing GFA of 2023-24. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 53 GFA for LAKROH for Fourth Control Period

GFA	2022-23 Approved	2023-24 True Up	2024-25 Revised	2025-26 Revised
Opening GFA	22.68	22.74	22.87	23.47
Addition	0.05	0.13	0.60	1.14
Closing GFA	22.74	22.87	23.47	24.61

13.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for LAKROH has been tabulated below:

Table 54 Movement of Grants

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed	FY 2024-25	FY 2025-26
1	Opening GFA	22.68	22.73	22.86	23.46
2	Addition of GFA	0.05	0.13	0.60	1.14
3	Retirement of GFA	0	0	0.00	0.00
4	Closing GFA	22.73	22.86	23.46	24.60
5	Average GFA	22.705	22.79	23.16	24.03
6	Opening Grant	11.75	11.75	11.75	11.75
7	Add Cap Funded through Grant	0.00	0.00	0.00	0.00

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed	FY 2024-25	FY 2025-
8	Closing Grant	11.75	11.75	11.75	11.75
9	Average Grants	11.75	11.75	11.75	11.75
10	Addition of Fresh Loan for CY Add Cap	0.035	0.09	0.42	0.80
11	Addition of Fresh Equity for CY Add- Cap	0.015	0.04	0.18	0.34

13.3 RETURN ON EQUITY

The opening equity for 2024-25 has been considered as the closing equity of the FY 2023-24. The addition in equity has been considered as per the funding pattern of the capitalization as shown in table above.

Accordingly, the return on equity has been calculated as under:

Table 55 Calculation off Return on Equity for LAKROH for FY 2025-26

S No	Particular	True Up FY 2022-23 (Approved)	True Up of FY 2023-24 (Claimed)	2024-25	2025-
1	Opening GFA	22.68	22.73	22.86	23.46
2	Addition to GFA	0.05	0.13	0.60	1.14
3	Retirement	0.00	0.00	0.00	0.00
4	Closing GFA	22.73	22.86	23.46	24.60
5	Average GFA	22.71	22.79	23.16	24.03
6	Less Average Grants	11.75	11.75	11.75	11.75
7	Net Average GFA (not funded through grants)	10.96	11.04	11.41	12.28
8	70% of the Debt Components	7.67	7.73	7.98	8.59
9	30% of the Equity Component	3.29	3.31	3.42	3.68
10	Rate of Return on Equity	14%	14%	14%	14%
11	Return on Equity	0.46	0.46	0.48	0.52

MePGCL prays Hon'ble Commission to approve the Return on Equity as depicted above.

13.4 INTEREST ON LOAN

As submitted earlier that the methodology adopted by MePGCL for various components of ARR are based on the methodology approved by Hon'ble Commission in the true up order for FY 2022-23. Accordingly, closing loan of FY 2023-24 has been considered as the opening loan of 2024-25 and subsequent addition has been considered as per the approved funding pattern of capitalization in the business plan. Further, since the actual weighted average rate of interest would be available at the time of true up of respective years, the weighted average rate of interest for FY 2023-24 has been considered for 2024-25 and 2025-26. MePGCL craves leave of Hon'ble Commission to claim the actual weighted average rate of interest at the time of true up of respective years.

The calculation of Interest on loan is tabulated below:

Table 56 Interest on Loan for LAKROH for FY 2025-26

S No	Particular	True Up FY 2022-23 (Allowed)	True Up FY 2023-24 (Claimed)	2024-25	2025-26
1	Opening Loan	4.55	3.58	3.13	3.11
2	Addition of Loan	0.03	0.09	0.42	0.80
3	Repayment of Loan	1.00	0.54	0.45	0.48
4	Closing Loan	3.58	3.13	3.11	3.42
5	Average Loan	4.07	3.36	3.12	3.26
6	Weighted Average Rate of Interest	10.18%	9.99%	9.99%	9.99%
7	Interest on Loan	0.41	0.34	0.31	0.33

MePGCL prays Hon'ble Commission to approve the Interest on loan for LAKROH project as tabulated above.

13.5 DEPRECIATION

The depreciation has been calculated on the average GFA. The GFA movement has been considered as depicted in GFA table above. Further, the asset wise addition as approve by the Hon'ble Commission in the MYT order for fourth control period is considered for computation of depreciation. The calculation of the depreciation is tabulated below:

Table 57 Calculation of Depreciation for LAKROH for FY 2025-26

S No	Particular	Opening GFA of 2025-26	Addition	Deletion	Closing GFA	Average GFA	90% of Average GFA	Rate of Depreciation	Depreciation
1	Land	0.00	0.00	0	0.00	0.00	0.00	0.00%	0.00
2	Buildings	2.46	0.00	0	2.46	2.46	2.21	3.34%	0.07
3	Hydraulic Works	9.37	0.00	0	9.37	9.37	8.43	5.28%	0.45
4	Other Civil Works	2.19	0.00	0	2.19	2.19	1.97	3.34%	0.07
5	Plant & Machinery	7.89	1.14	0	9.03	8.46	7.61	5.28%	0.40
6	Lines & cables	1.54	0.00	0	1.54	1.54	1.38	5.28%	0.07
7	Vehicles	0.00	0.00	0	0.00	0.00	0.00	9.50%	0.00
8	Furniture	0.01	0.00	0	0.01	0.01	0.01	6.33%	0.00
9	Office Equipment	0.01	0.00	0	0.01	0.01	0.01	6.33%	0.00
Total		23.47	1.14	0.00	24.61	24.04	21.63		1.06
11	Weighted Average Rate of Depreciation								4.91%
12	90% of Average Grants in GFA								11.75
13	Depreciation on Average Grants								0.58
14	Net Depreciation								0.48

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

13.6 OPERATION AND MAINTENANCE EXPENSES

As stated earlier MePGCL is not claiming any revision in O&M expenditure as of now and the O&M expenses allowed by Hon'ble Commission in the Order dated 24.10.2024 in Case no. 30 of 2023 have been considered as of now

13.7 INTEREST ON WORKING CAPITAL

As per Regulation 34.1(iii) of 2014 Tariff Regulations:

"In case of hydro power generating stations, working capital shall cover:

Operation and maintenance expenses for one (1) month;

Maintenance spares at the rate of 15% of O & M expenses escalated at 6% from the date of commercial operation; and

Receivables equivalent to two (2) month of fixed cost:

Provided that in case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. "

The SBI Advance Rate as on 01.04.2023 comes out to be Rs. 14.85%. Accordingly, the calculation of interest on working capital is tabulated below:

Table 58 Interest on Working Capital for FY 2025-26 for LAKROH

S No	Particular	2025-26
1	O&M Expenses for 1 Month	0.05
2	Maintenance Spares	0.11
3	Receivables	0.34
	Total Working Capital	0.50
	Rate of Interest	14.85%
	Interest on Working Capital	0.07

13.8 AGGREGATE REVENUE REQUIREMENT

Based on the computation of the individual components the Aggregate Revenue Requirement of LAKROH for fourth control period is tabulated below:

Table 59 Aggregate Revenue Requirement for LAKROH for Fourth Control Period

S No	Particular	Allowed by Commission in Tariff Order	Revised ARR for FY 2025-26
1	Depreciation	0.54	0.48
2	Return on Equity	0.51	0.52
3	O&M Expenses	0.60	0.60
4	Interest and Finance Charges	0.32	0.33
5	Interest on Working Capital	0.07	0.07
6	SLDC Charges	0.00	0.00
7	Prior Period Expenses	0.00	0.00
	Total AFC	2.04	2.00
8	Less Non- Tariff Income	0.00	0.00
	Net AFC	2.04	2.00
9	Add Gap for True UP FY 2023-24		3.29
10	Gross ARR for FY 2025-26	2.04	5.29

MePGCL prays the Hon'ble Commission to approve the ARR for LAKROH as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

14. DETERMINATION OF AGGREGATE REVENUE REQUIREMENT FOR FOURTH CONTROL PERIOD 2024-25 TO 2026-27 FOR OLD STATIONS (INCLUDING SONAPANI) AND DETERMINATION OF TARIFF FOR 2024- 25

14.1 GROSS FIXED ASSETS

The Opening GFA as on 01.04.2024 have been taken as the closing GFA of 2023-24. The subsequent addition has been considered as per the approved business plan for fourth control period.

The movement of GFA in the fourth control period is tabulated below:

Table 60 GFA for OLD STATIONS for Fourth Control Period

GFA	2022-23 Approved	2023-24 True Up	2024-25 Revised	2025-26 Revised
Opening GFA	50.46	51.74	75.18	75.18
Addition	1.3	23.44	0.00	0.00
Deletion	0.02	0	0.00	0.00
Closing GFA	51.74	75.18	75.18	75.18

14.2 FUNDING PATTERN OF THE CAPITALIZATION

The funding patter of the capitalization shown in the table above has also been considered in the approved Business plan for the fourth control period.

Accordingly, the movement of grants in fourth control period for OLD STATIONS has been tabulated below:

Table 61 Movement of Grants

S No.	Funding Pattern	True Up of FY 2022-23 Approved	True Up of FY 2023-24 Claimed	FY 2024-25	FY 2025-26
1	Opening GFA	50.46	51.74	75.18	75.18
2	Addition of GFA	1.3	23.44	0.00	0.00
3	Retirement of GFA	0.02	0	0.00	0.00
4	Closing GFA	51.74	75.18	75.18	75.18

**PETITION FOR TRUE UP OF GENERATION BUSINESS FOR FY 2023-24 AND APPROVAL OF REVISED AR
AND GENERATION TARIFF FOR FY 2025-26**

considered for computation of depreciation. The calculation of the depreciation tabulated below:

Table 64 Calculation of Depreciation for OLD STATIONS for FY 2025-26

S No	Particulars	True Up FY 2022-23 Approved	True Up FY 2023-24 Claimed	2024-25	20
1	Opening GFA	50.46	51.74	75.18	7
2	Addition	1.30	23.44	0.00	
3	Retirement	0.02	0.00	0.00	
4	Closing GFA	51.74	75.18	75.18	7
5	Average GFA	51.10	63.46	75.18	7
6	90% of Average Assets	45.99	57.11	67.66	6
7	Depreciation @5.28%	2.43	3.02	3.57	
8	90% of Average Grants	20.21	29.53	38.85	3
9	Less: Dep on Grants	1.07	1.56	2.05	
10	Net Depreciation	1.36	1.46	1.52	

MePGCL prays the Hon'ble Commission to approve the depreciation as proposed above.

Table 66 Aggregate Revenue Requirement for OLD STATIONS for Fourth Control Period

S No	Particular	Allowed by Commission in Tariff Order	Revised ARR FY 2025-26
1	Depreciation	1.39	1.52
2	Return on Equity	1.23	1.34
3	O&M Expenses	42.24	42.42
4	Interest and Finance Charges	0.00	0.00
5	Interest on Working Capital	2.71	2.83
6	SLDC Charges	5.66	5.66
7	Prior Period Expenses	0.00	0.00
	Total AFC	53.23	53.77
8	Less Non- Tariff Income	5.15	5.15
	Net AFC	48.08	48.62
9	Add Gap for True UP FY 2023-24		-255.34
10	Gross ARR for FY 2025-26	48.08	-206.71

MePGCL prays the Hon'ble Commission to approve the ARR for OLD STATIONS as projected above.

The detailed calculation of the individual component has been provided in the excel model being submitted in soft copy along with this Petition.

15. CONSOLIDATED ARR FOR MEGCL AS A WHOLE AND DETERMINATION OF TARIFF FOR 2025-26

Based on the calculation of the ARR for individual plants in the above chapters the consolidated ARR and Gap for MePGCL has a whole is tabulated below:

Table 67 Consolidated ARR for MePGCL for FY 2025-26

S No	Particular	MLHEP	NUHEP	Lakroh	Old Station
1	Depreciation	45.28	25.67	0.48	1.52
2	Return on Equity	45.23	24.59	0.52	1.34
3	O&M Expenses	41.97	18.13	0.60	42.42
4	Interest and Finance Charges	7.92	19.65	0.33	0.00
5	Interest on Working Capital	5.08	2.89	0.07	2.83
6	SLDC Charges	0.00	0.00	0.00	5.66
7	Prior Period Expenses	0.00	0.00	0.00	0.00
	Total AFC	145.48	90.93	2.00	53.77
8	Less Non- Tariff Income	0.00	0.00	0.00	5.15
	Net AFC	145.48	90.93	2.00	48.62
9	Gap for FY 2022-23	135.70	262.51	3.29	-255.34
	Total ARR	281.18	353.44	5.29	-206.71
	Total ARR MePGCL	433.20			

Table 68 Total ARR for MePGCL

Gross ARR for MePGCL as a Whole	433.20
Pension Liabilities Accrued IInd Instalment	67.34
Pension Liabilities Accrued IIIrd Instalment	67.34
Total ARR of MePGCL for 2025-26	567.88

Table 69 Calculation of Generation Tariff of Each Plant

Particular	MLHEP	NUHEP	Lakroh	Old Station
ARR for 2024-25	145.75	90.93	2.00	48.62
Projected Generation	478.71	231.48	10.868	363.95
Rate (Rs/kWh)	3.04	3.93	1.84	1.34

MePGCL would like to submit that the per unit cost is exclusive of the previous gaps as claimed in the table above. The gap approved shall be billed separately in 12 instalments.

MePGCL prays the Hon'ble Commission to approve the Total ARR and per Unit of each project as projected above.

16. AFFIDAVIT

BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY

REGULATORY COMMISSION

SHILLONG, MEGHALAYA

Case No. /2024

IN THE MATTER OF:

APPROVAL OF TRUING UP OF EXPENSES FOR FY 2023-24 AND
APPROVAL OF REVISED ARR FOR FY 2025-26 AND GENERATION
TARIFF FOR FY 2025-26 OF THE MEGHALAYA POWER GENERATION
CORPORATION LIMITED (MEPGCL) UNDER SECTION 62 AND 64 READ
WITH SECTION 86 OF THE ELECTRICITY ACT 2003 AND PROVISIONS OF
MSERC (MULTI YEAR TARIFF) REGULATIONS, 2014

AND

MEGHALAYA POWER GENERATION CORPORATION LIMITED (MePGCL)

...Petitioner

M. Lyngdoh
Superintending Engineer (P&RM),
O/o the Director (Generation),
Shillong

AFFIDAVIT

I, Smti Markordor Lyngdoh, d/o (L) L. Nongsiej, aged about 46 years, the
Superintending Engineer (C), P&RM, of Meghalaya Power Generation Corporation
Limited, Shillong, having its registered office at MeECL Headquarters,
Lumjingshai, Short Round Road, Shillong – 793001, do hereby solemnly affirm
and state as under:

1. That I am the Superintending Engineer (C), P&RM, of Meghalaya Power
Generation Corporation Limited, Shillong, and in my official capacity I am

Meghalaya Power Generation Corporation Limited



conversant with the facts and records of the case and competent and duly authorized to swear this instant affidavit on behalf of Petitioner's company Meghalaya Power Generation Corporation Limited.

2. That the statement made in this Affidavit are true to the best of my knowledge and belief which are borne out of the petitioner's company official record maintained in the ordinary course of business and I believe them to be true and the rest are my humble submission before this Hon'ble Commission.

3. And I sign this Affidavit on this the 28th day of November, 2024 at Shillong.

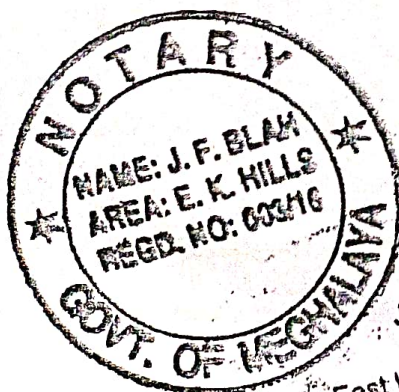
M. Lyngdoh

DEPONENT

Superintending Engineer (P&RM)
O/o the Director (Generation),
MPGCL, Shillong

VERIFICATION:

Verified by me, Smti Markordor Lyngdoh, d/o (L) L. Nongsiej, aged about 46 years, the Superintending Engineer (C), P&RM, of Meghalaya Power Generation Corporation Limited, Shillong, on this 28th day of November, 2024 at Shillong that the content of the above affidavit is true and correct to the best of my knowledge and belief and information received and derived from the official records of the Petitioner's Company Meghalaya Power Generation Corporation Limited and that nothing is false and nothing material has been concealed therefrom.



J.F. Blah
NOTARY
East Khasi Hills District
Shillong, Meghalaya

M. Lyngdoh

DEPONENT

Superintending Engineer (P&RM)
O/o the Director (Generation),
MPGCL, Shillong

17. LIST OF ANNEXURES

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