**BEFORE THE HON’BLE MEGHALAYA STATE ELECTRICITY REGYLATORY COMMISSION SHILLONG**

**IN THE MATTER OF ADDITIONAL INFORMATION (1) SOUGHT BY HON’BLE COMMISSION AGAINST THE PETITION FILED BY MePTCL FOR TRUING UP OF TRANSMISSION BUSINESS FOR FY 2024-25 AND REVISED ARR FOR FY 2026-27 AND DETERMINATION OF TARIFF FOR FY 2026-27 FOR MePTCL.**

**MOST RESPECTFULLY SHOWETH**

Meghalaya Power Transmission Corporation Limited has filed the Petition for Annual Truing Up for FY 2024-25 of Transmission Business and Revised ARR and Transmission Tariff for FY 2026-26 on 27/11/2025.

Hon’ble Commission vide letter MSERC/MYT/MePTCL/FY 2025-26/2026/ dated 5th January 2026 has sought certain addition information on the Petition filed.

The detailed replies to the queries/ addition information sought by Hon’ble Commission are being provided herein along with the supporting documents/ computation.

MePTCL requests Hon’ble Commission to take the same on record.

A copy of the responses is being uploaded on the official website meecl.nic.in for the purpose of transparency and other stakeholders.

**Part A- Petition for True Up of Transmission Business for FY 2024-25**

**Query No.1:**

MePTCL is directed to submit the growth in Number of Bay for last three years i.e. FY 2022-23, FY 2023-24 and FY 2024-25.

**MePTCL’s Response:**

MePTCL would like to submit that the Number of bays in last three years are tabulated below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-wise addition of Bays at EHT Level** | | | | |
| **Sl No** | **Year** | **Type of bays** | **No. of bays** | **Name of the Elements** |
| 1 | 2022-23 | Nil | Nil | Nil |
|  | | | | |
| 2 | 2023-24 | 220kV Line Bays | 8 | 220kV Killing -Mawphlang D/C Line |
| 220kV Mawphlang - Killing D/C Line |
| 220kV Mawphlang -New Shillong D/C Line |
| 220kV New Shillong-Mawphlang D/C Line |
| 220/132kV, 160MVA Transformer Bay | 2 | 220/132kV, 2x160MVA Transformers 1&2 at New Shillong |
| 132/33kV , 50MVA Transformer Bay | 2 | 132/33kV, 2x50MVA Transformers 1&2 at Phulbari S/S |
| 132kV Line Bays | 4 | 132kV Ampati -Phulbari D/C Line |
| 132kV Phulbari-Ampati D/C Line |
|  | | | | |
| 3 | 2024-25 | 132/33kV , 50MVA Transformer Bay | 2 | 132/33kV, 2x50MVA Transformers 1&2 at Mynkre S/S |
| 132kV Line Bays | 4 | 132kV Mynkre-MLHEP-1 D/C Line |
| 132kV Ampati -Hatsingmari (Assam)D/C Line under TBCB |

**Query No. 2**

It has been noticed that as per Para 2 of Annexure A of the ‘Companies (Auditor's Report) Order’, company has not maintained complete documentary evidence for the valid title deeds of freehold land. The statement of the Auditor is depicted as below,

“The Company continues to hold certain parcels of freehold land without valid title deeds in its possession as mentioned in Notes of Account ln the absence of complete documentary evidence, independent verification of ownership rights could not be carried out. The situation exposes the Company to potential legal disputes and the risk of misstatement in respect of fixed assets. Although the management has disclosed this matter in the Notes to Accounts and assured that the process of obtaining title deeds is underway, the reliance placed on external confirmations alone cannot be regarded as sufficient and appropriate audit evidence.”

Since there is a dispute about the freehold land, MePTCL is hereby directed to clarify on this supported by appropriate documentation.

**MePTCL’s Reply:**

With reference to the observation made under Para 2 of Annexure A of the Companies (Auditor’s Report) Order regarding the validity of title deeds of freehold land, we wish to clarify that there is no dispute concerning the ownership of the freehold land held by the Company. During the trifurcation of the erstwhile Board, lands were allotted to MePTCL based on the actual ownership of the assets. The auditor’s remark pertains to the fact that certain title deeds continue to remain in the name of the erstwhile Board or Holding Company, rather than in the name of MePTCL. This is a matter of documentation and does not affect the Company’s ownership rights over the said parcels of land.

The Company has already initiated the process of:

a) Identifying all lands belonging to MePTCL.

b) Effecting the transfer of title deeds from the name of the erstwhile Board/Holding Company into the name of MePTCL.

c) Ensuring that complete documentary evidence is maintained for future verification.

The management is committed to completing the transfer process at the earliest and ensuring that all title deeds are updated in the name of MePTCL. This will provide full documentary support and remove any scope for future audit qualifications.

**Query No.3:**

The Commission vide para no. 2.2.20. of the True-Up order for FY 2023-24 dated 22.03.2025 directed MePTCL to submit detailed Scheme wise status of the Assets and a valid justification along with requisite documentation.

However, MePTCL has failed to comply with this directive, rendering it nonresponsive and hence it is directed to submit a detailed breakup of Asset class wise, Scheme-wise and line item-wise additions and deletions from the Gross Fixed Assets (GFA) for FY 2024-25 as per **Annexure A**, along with necessary supporting documents and auditor certificate for proper management of fixed assets.

**MePTCL’s Reply:**

MePTCL would like to submit that the requisite information as per Annexure A has been prepared and the same is being submitted with this reply as **Annexure A.P.3.**

**Query No.4:**

The Commission, vide para no. 2.2.21. of the True-Up order for FY 2023-24 dated 22.03.2025, directed the Petitioner to audit its balance sheet properly to avoid the dispute between ‘Assets transferred from CWIP’ not aligned with ‘Addition in GFA’. In this regard, the Commission further directed to provide a detailed ‘Asset class wise’ and ‘Item wise’ reconciliation of ‘CWIP’ and ‘GFA addition’ during the submission of True-Up petition for subsequent years.

Irrespective of the above directive, it is evident that MePTCL didn’t maintain the Audited accounts properly and in its annual accounts for FY 2024-25 has Net Asset Addition of Rs 65.20 Cr booked under PPE and the same not passed through its CWIP Statement (Rs. 138.20 Cr.). MePTCL is hereby directed to submit item-wise details and reconciliation of assets Addition and Disposals for FY 2024-25, duly certified by Auditor.

**MePTCL’s Reply:**

MePTCL would like to submit that the expenses incurred for the purpose of CWIP are accounted under the CWIP ledgers and when the CWIP is converted to asset, they are then transferred to Assets ledgers and then charged depreciation accordingly, However, all transferred/deductions from the CWIP ledgers does not include only conversion from CWIP to Assets, it also includes swapping/correction from one CWIP ledger to another ledger and transferred from one accounting unit to the other accounting unit.

The detail has been disclosed in **Note. 3.3** of the Statement of Accounts of MePTCL for FY 2024-25 which is reproduced below:

|  |  |  |  |
| --- | --- | --- | --- |
| **S.No.** | **Particulars** | **As at 31st March 2025** | **Year ending 31.03.2024** |
| 1 | Capitalised during the year | 64,61,43,832 | 1,07,40,13,127 |
| 2 | Rectification entry | 61,30,616 | 76,52,46,482 |
| 3 | Swapping/Transfer Entry | 72,96,88,592 | 10,90,82,598 |
|  | **Total** | **1,38,19,63,040** | **1,94,83,42,207** |

**Query No.5:**

The Petitioner had been directed by the Commission vide para no. 2.2.24. of the True-Up order for FY 2023-24 dated 22.03.2025, to conduct the Third-Party Physical Verification of its assets within 6 months from publication of this order and submit the report of the same with the Commission for its consideration. MePTCL is directed to provide us the Fixed Assets Register (FAR) for FY 2024-25 as required by the Companies Act.

**MePTCL’s Reply:**

MePTCL would like to humbly submit that the process of third party physical verification of assets could not be carried out till now. MePTCL’s humbly prays the Hon’ble Commission to allow some more time this activity as this is being done for the first time.

**Query No.6:**

MePTCL is directed to submit the requisite data as per specified format as attached in Annexure B along with documentary evidence of Govt. Order and Auditor certificate for the grant schemes.

**MePTCL’s Response:**

MePTCL would like to humbly submit the requisite data sought by Hon’ble Commission as Annexure B is being submitted with these replies as **Annexure A.P.6.**

**Query No.7:**

It has been observed that the Grant figures didn't match between Note 17 and Note 17.1. of Financial Statement. Note 17 reflects an amount of Rs 114.85 crore, whereas Note 17.1. indicates Rs 134.38 crore. Justification must be submitted by MePTCL for this difference.

**MePTCL’s Response:**

The apparent difference arises due to the classification between Current Rs. 19.53 Crore (Note 24) and Non‑Current portions of the grant liability Rs. 114.85 Crore (Note 17), in line with the disclosure requirements of IND AS 20 – Accounting for Government Grants.

* Note 17.1 (Rs.134.38 Crore) → Total Grant to be amortised.
* Note 17 (Rs. 114.85 Crore) → Non‑current portion only.
* Note 24 (Rs. 19.53 Crore) → Current portion to be amortised within one year.

Thus, the figures are consistent and compliant with the applicable accounting standards, with no misstatement involved.

**Query No.8:**

MePTCL claimed Rs 218.08 Cr as opening grant for FY 2024-25, however the Commission approved the closing grant of FY 2023-24 Rs 229.16 Cr. MePTCL is directed to submit the justification of this discrepancy with valid documentation.

**MePTCL’s Response:**

MePTCL would like to submit that the True Up of FY 2023-24 was decided by Hon’ble Commission considering MePTCL and Meghalaya SLDC together. However, in the tariff order dated 24th October 2024 in Case No. 31 and 33 of 2023 Hon’ble Commission has decided the ARR for Transmission and SLDC Business separately. Hence, in line with the grants considered by Hon’ble Commission for FY 2024-25 vide Table 37 Page 50 of the aforesaid order has been considered in the instant Petition.

**Query No.9**

Capital-Work-in-Progress

1. The details of Note 3.3 of financial statement is shown below,

|  |  |  |  |
| --- | --- | --- | --- |
| S.No. | Particulars | As at 31st March 2025 | Year ending 31.03.2024 |
| 1 | Capitalised during the year | 64,61,43,832 | 1,07,40,13,127 |
| 2 | Rectification entry | 61,30,616 | 76,52,46,482 |
| 3 | Swapping/Transfer Entry | 72,96,88,592 | 10,90,82,598 |
|  | Total | 1,38,19,63,040 | 1,94,83,42,207 |

In this regard, MePTCL is directed to submit the Asset class wise and Line-item wise detailed breakup and reconciliation for ‘Capitalized Assets’ of Rs 64.61 Cr during FY 2024-25. Similarly, Asset class wise and Line-item wise bifurcation and reconciliation is required for the Rectification Entry of Rs 0.61 Cr and Swapping/Transfer Entry of Rs 72.97 Cr.

1. It has been observed that the CWIP amounting of Rs 32.62 Cr have been booked in below mentioned schemes as per Note 3.2 of Financial Statements of FY 2024-25.,

| S.No. | Name of Unit | As at  1st April 2024 (Restated) | Additions during the year | Deductions/ Adjustments during the year | Adjustments of Prior Periods | As at  31st March 2025 |
| --- | --- | --- | --- | --- | --- | --- |
|
| 1 | T & T Umiam (211) | 4,90,79,528 | 30,10,90,533 | 21,72,48,153 |  | 13,29,21,908 |
| 2 | T & T Shillong (221) | 35,70,012 | 42,88,95,679 | 42,88,95,679 |  | 35,70,012 |
| 3 | T & T Byrnihat (231) | 2,00,00,000 |  |  | (2,00,00,000) | - |
| 4 | T & T Tura (242) | 13,12,28,307 | 1,81,99,287 |  |  | 14,94,27,594 |
| 5 | System Protection Umiam (PSDF) | 66,22,67,208 | 5,48,21,550 |  | (71,58,19,208) | 12,69,550 |
| 6 | MePTCL Principal A/c (920) | 1,35,77,981 | 1,02,45,055 |  |  | 2,38,23,036 |
| 7 | Others | 1,51,91,992 |  |  |  | 1,51,91,992 |
|  | Total | 89,49,15,029 | 81,32,52,104 | 64,61,43,832 | (73,58,19,208) | 32,62,04,093 |

* 1. In this regard, MePTCL is directed to clarify the rationale for this accounting treatment, along with appropriate justification and an auditor's certificate.
  2. MePTCL is also directed to justify the reason of having a total Amount of Rs 28.72 Cr (i.e. Rs 37,83,486) under CWIP for “T & T Umiam (211), T & T Shillong (221), T & T Byrnihat (231), T & T Tura (242) and System Protection Umiam (PSDF)” work, as this work is concerned for MePGCL only. MePTCL should substantiate its justification with proper documentation.
  3. Additionally, CWIP booked under the head of “Others” work must be elaborated under different line items.

1. It has been observed in ‘Capital work in progress (CWIP) Ageing Schedule’ (Note 3.4) that Rs 6.82 Cr. had already been unutilized during FY 2023-24 which has been increased to Rs 12.04 Cr that has not been capitalized for more than 3 years.

MePTCL is directed to submit the reasoning with detailed clarification for this amount under CWIP for a long period. MePTCL is further directed to submit project wise CWIP details along with project starting date.

| Particulars | Amount in CWIP for a period of | | | | Total |
| --- | --- | --- | --- | --- | --- |
| Less than 1 year | 1-2 year | 2-3 year | More than 3 year |
| Projects in Progress |  |  |  |  |  |
| 14.176C (CWIP L&C Network Mawlai-Cherra LILO Line) |  | 3,94,07,734.87 | - | 96,71,793.00 | 4,90,79,527.87 |
| 14.186(H) (LILO at Praharinagar) | 65,83,691.00 | 97,30,106.00 | 1,41,28,025.00 | 5,48,93,114.00 | 8,53,34,936.00 |
| 14.186(I) (Praharinagar Sub-Station) | 11,28,660.00 | 2,45,35,009.00 | 1,08,83,399.00 | 1,70,58,654.00 | 5,36,05,722.00 |
| 14.ISTS NGL (ISTS Nangalbibra S/s) | 1,04,86,936.00 |  |  |  | 1,04,86,936.00 |
| 14.Mawkhanu (132/33KV Substation at Mawkhanu) | 76,40,500.00 |  |  |  | 76,40,500.00 |
| 14.Mawlai S/S (Augmentation of 132/33KV Mawlai S/S) | 26,04,555.00 |  |  |  | 26,04,555.00 |
| 14.206 (CWIP-T&T Scheme(D)) | - | - | - | 37,29,133.00 | 37,29,133.00 |
| 14.922 (CWIP-T&T Normal Dev Scheme) | - | - | - | 1,26,071.86 | 1,26,071.86 |
| 14.924 (CWIP - T&T Normal Dev Scheme(A)) | - | - | - | 54,73,842.42 | 54,73,842.42 |
| 14.925 (CWIP - T&T Normal Dev Scheme (B)) | - | - | - | 3,02,507.81 | 3,02,507.81 |
| 14.HTLS KHT CWIP HTLS Khliehriat to Panchgram | - |  | - | - | - |
| 14.HTLS Stg-I CWIP HTLS Stg-I to Stg-III |  |  | - | - | - |
| 14.NERPS Projects | - | - | 1,35,77,981.00 | - | 1,35,77,981.00 |
| 14.NLCPR (CWIP-NLCPR) | - | - | - | 7,69,787.55 | 7,69,787.55 |
| 14.PSDF(Bus Reactor) (CWIP for Bus Reactor at Killing S/s) |  | 6,43,63,550.00 | 7,48,380.00 | 2,00,00,000.00 | 8,51,11,930.00 |
| 14.XX6 (Mynkre) (Capital Work In Progress Mynkre S/Stn Under NERPSIP) | - | - | - | 27,41,229.00 | 27,41,229.00 |
| 14.XXX NEC Schemes (CWIP-NEC Schemes) | - | - | - | 47,90,649.00 | 47,90,649.00 |
| 14.XXX(SAI) (CAPITAL WORK IN PROGRESS- SAISIEJ) | - | - | - | 8,28,783.00 | 8,28,783.00 |
| Total | 2,84,44,342.00 | 13,80,36,399.87 | 3,93,37,785.00 | 12,03,85,564.64 | 32,62,04,091.51 |

**MePTCL’s Reply:**

* + 1. MePTCL would like to submit that the details of the swapping and rectification entries along with justification is being submitted as **Annexure A.P.9.i.a and Annexure A.P.9.i.b.**
    2. (a) MePTCL would like to humbly submit that **the accounting of the various CWIP are being undertaken at the Divisional unit. Hence the amount appears in the notes above refer to the various CWIP being recorded at the different Divisional Accounting unit.**

(b) MePTCL would like to submit that **The above mentioned relates to the accounting units of the MePTCL of the various scheme undertaken by MePTCL only and the detail of the Scheme/Project are as follows:**

| **Sl. No.** | **Name of the Accounting Unit** | **Name of the Scheme/Project (Accounting Ledgers)** | **Amount** |
| --- | --- | --- | --- |
| **1** | **T & T Umiam** | 14.176C (CWIP L&C Network Mawlai-Cherra LILO Line) | 4,90,79,528 |
| 14.PSDF(Bus Reactor) (CWIP for Bus Reactor at Killing S/s) | *8,38,42,380.00* |
| **Sub Total** | | | ***13,29,21,908*** |
| **2** | **T & T Shillong** | 14.XX6 (Mynkre) (Capital Work In Progress Mynkre S/Stn Under NERPSIP) | 27,41,229.00 |
| 14.XXX(SAI) (CAPITAL WORK IN PROGRESS- SAISIEJ) | 8,28,783.00 |
| **Sub Total** | | | **35,70,012.00** |
| **3** | **T & T Tura** | 14.186(H) (LILO at Praharinagar) | *8,53,34,936.00* |
| 14.186(I) (Praharinagar Sub-Station) | *5,36,05,722.00* |
| 14.ISTS NGL (ISTS Nangalbibra S/s) | *1,04,86,936.00* |
| **Sub Total** | | | ***14,94,27,594.00*** |
| **4** | **System Protection PSDF** | 14.PSDF(Bus Reactor) (CWIP for Bus Reactor at Killing S/s) | *12,69,550.00* |
| **Sub Total** | | | ***12,69,550.00*** |
| **Grand Total** | | | **28,71,89,064** |

(c) MePTCL would like to submit that the details of the CWIP booked under other is as under:

|  |  |  |
| --- | --- | --- |
| **Name of the Accounting Unit** | **Name of the Scheme (Accounting Ledgers)** | **Amount** |
| **Others** | 14.206 (CWIP-T&T Scheme(D)) | 37,29,133 |
| 14.922 (CWIP-T&T Normal Dev Scheme) | 1,26,072 |
| 14.924 (CWIP - T&T Normal Dev Scheme(A)) | 54,73,842 |
| 14.925 (CWIP - T&T Normal Dev Scheme (B)) | 3,02,508 |
| 14.NLCPR (CWIP-NLCPR) | 7,69,788 |
| 14.XXX NEC Schemes (CWIP-NEC Schemes) | 47,90,649 |
| **Total** | | **1,51,91,992** |

* + 1. MePDCL would like to submit that except the following works reflecting in CWIP all the other works are under progress and are yet to be capitalized.
       1. 14.206 (CWIP-T&T Scheme(D))
       2. 14.922 (CWIP-T&T Normal Dev Scheme)
       3. 14.924 (CWIP - T&T Normal Dev Scheme(A))
       4. 14.925 (CWIP - T&T Normal Dev Scheme (B))
       5. 14.NLCPR (CWIP-NLCPR)
       6. 14.XXX NEC Schemes (CWIP-NEC Schemes)

The total amount reflecting in CWIP pertaining to above projects is Rs. 1,51,91,991.64. MePTCL would like to submit that these projects are pending for capitalization due to legacy issues. MePTCL is working on resolution of these issues and is expected to be resolved in FY 2025-26.

**Query No.10:**

The Commission observed that the deduction in Deferred Revenue under Non-Current Liabilities during the year of FY 2024-25 under Note 17.1 of Audited Annual Accounts (Rs 9.30 Cr) differs from the figure of Deferred Revenue under Current Liabilities as per Note No. 24 of Audited Accounts for FY 2024-25 (Rs 19.53 Cr) and Amortization of Grant under Note 26 of the Audited accounts for FY 2024-25 (Rs 9.30 Cr). Ideally, these three figures should be aligned.

MePTCL is directed to provide the justification of this discrepancy and also submit the Accounting Norms and Policies followed for recording these transactions to ensure transparency and consistency.

**MePTCL’s Reply:**

The amount mentioned in Note 17.1 and Note 26 Rs. 9.30 Crore of Annual Accounts is the amount amortised during the financial year 2024-25 and the amount of deferred revenue mentioned in Note 24 relates to amount to be amortised within 1 year in FY 2025-26. Thus amount mentioned in Note 24 relates to amount that will be amortised during FY 2025-26.

**Query No. 11**

MePTCL is directed to furnish the actual loan portfolio duly certified by the auditor in the format as attached in **Annexure C** along with supporting documentation to substantiate the explanation. This could include

1. Loan agreements or amendments,
2. Bank Statement for year-wise Repayment and Interest paid

**MePTCL’s Reply:**

MePTCL would like to submit that the loan portfolio duly certified by the auditor is annexed to this reply as **Annexure A.P.10**. Since, the amounts have been considered as per the Statement of Accounts already audited by the Auditor appointed by CAG the figures in the auditor’s certificate may be verified by the Statement of Accounts.

**Query No. 12:**

MePTCL has claimed Rs 0.27 Cr under the line item of Contribution of Provident Fund vide Table No. 10 (Employee Expenses (Rs. Cr.) for FY 2024-25) of the petition. In this regard, it is pertinent to mention that Commission observed Note No. 27 of Audited Accounts indicates a booking of Rs 98.33 Cr. MePTCL is hereby directed to explain the reason of this inconsistency with proper reconciliation.

**MePTCL’s Reply:**

MePTCL would like to humbly submit that the amount appearing under the head contribution to provident fund in Note 27 of the Audited Accounts includes terminal benefits also. Since terminal benefits are being provided by Hon’ble Commission separately in instalment, the same have been excluded from the claim. The detailed reconciliation of same is provided as under with linkage to the Trial Balance.

|  |  |  |  |
| --- | --- | --- | --- |
| **Row No. of TB** | **Details of Ledger** | **Nature of Expenses** | **Amount** |
| 568 | 75.810 (C.P.S. Corp Contribution) | Terminal Benefits | 647128.00 |
| 569 | 75.830 (Superannuation Corps Contribution- Ex Gratia) | Terminal Benefits | 160000.00 |
| 662 | 75.643 (EPF Administrative Charges) | Provident Fund | 206888.00 |
| 661 | 75.640 (EPF: Corporation Contribution) | Provident Fund | 2482452.00 |
| 667 | 75.200(G) (Gratuity Expenses) | Terminal Benefits | 0.00 |
| 668 | 75.200 (LEB) (Earned Leave Encashment Expenses) | Terminal Benefits | 60115283.10 |
| 671 | 75.200(Pension) (Pension Expenses) | Terminal Benefits | 0.00 |
| 707 | 75.200(G) (Gratuity Expenses) | Terminal Benefits | 49216638.90 |
| 708 | 75.200(Pension) (Pension Expenses) | Terminal Benefits | 854360368.20 |
| 720 | 75.810(D) (C.P.S. Corp Contribution(D)) | Terminal Benefits | 15566759.00 |
| 721 | 75.810(I) (C.P.S. Corp Contribution(I)) | Terminal Benefits | 512797.00 |
|  | **Total** |  | **983268314.20** |

Thus to summarize the head contribution to provident fund comprise of following:

|  |  |  |
| --- | --- | --- |
| **Nature of Expenses** | **Amount in Rs.** | **Amount in Cr.** |
| Terminal Benefits | 980578974.2 | 98.06 |
| Provident Fund | 2689340 | 0.27 |

Thus based on the justification that the Hon’ble Commission is allowing the terminal benefits separately through instalments, the same has been excluded from the claim and only Rs. 0.27 Crore has been claimed.

**Query No. 8:**

MePTCL is directed to submit the actual O&M expense segregated into Lines, Bays and Transformation in MVA for last three financial years starting from FY 2022-23.

**MePTCL’s Reply:**

MePTCL would like to humbly submit that accounting of O&M expenses has been done till date on consolidated basis and there is no bifurcation of O&M expenses in terms of bays, line length and transformation capacity hence actual data of bifurcation of O&M expenses is not available. However, in case the Hon’ble Commission permits MePTCL can submit the data on estimation basis during the course of proceeding of the Petition.

**Part B: Revised ARR for FY 2026-27 and Transmission Tariff for FY 2026-27**

**Query No. 1**

The Commission has noticed that the actual “Addition to GFA” for FY 2022-23, FY 2023-24 and FY 2024-25 was Rs 36.96 Cr, Rs 112.13 Cr and Rs 65.19 Cr only.

However, MePTCL claimed Rs 123.27 Cr and Rs 999.71 Cr for FY 2025-26 and FY 2026-27 respectively. In this regard, MePTCL is directed to submit the basis of projection of such a high amount of “Addition to GFA” for FY 2026-27 with valid documentary evidence.

**MePTCL’s Reply:**

MePTCL would like to humbly submit that the addition to GFA claimed for FY 2025-26 and FY 2026-27 has been strictly claimed as per the Business Plan for fourth control period already approved by this Hon’ble Commission vide order dated 16.11.2023 in Case No. 21 of 2023. The details of approved capitalization and funding pattern is annexed to this Reply as **Annexure B.P.1** which can be verified with the approved capital investment approved by Hon’ble Commission.

**Query No.2:**

MePTCL submitted the “Movement of Grants and Loan and Equity” vide Table No. 22 of the petition without providing any elaborative details of the basis of the projection.

The Commission directs MePTCL to submit a comprehensive methodology used for projecting the “Add Cap Funded Through Grant”. The submission must include valid documentation and supporting evidence to substantiate the projections made in the petition.

**MePTCL’s Reply:**

MePTCL would like to re-submit that the capitalization and the funding patter has been claimed strictly as per the approved capital investment plant by this Hon’ble Commission only. The details of the same has already been provided in the Annexure to the Query No.1 under this section. Further, the loan and equity addition has been considered in the ratio 70:30 as per the provisions of the MYT Regulations, 2014.

**Query No.3:**

MePTCL should furnish the details of the projected loan capital for FY 2025-26 and FY 2026-27 in a proper format.

**MePTCL’s Reply:**

MePTCL would like to submit that the loan requirement has been projected in the ratio 70:30 after deducting the grants received. Further, since these are projections and the actual loan arrangements are yet to be finalized, the details of the loans to be taken in future cannot be provided at this point of time. Hence, MePTCL craves leave of this Hon’ble Commission to allow MePTCL to produce the requisite documents and details at the time of respective True Ups.

**Query No. 4:**

MePTCL furnished the Transmission Tariff vide Table No. 33 of the petition. In this regard, MePTCL is directed to submit the 15 min time block wise monthly Load profile in its own network duly certified by SLDC.

**MePTCL’s Reply:**

MePTCL would like to submit that the requisite data is Annexed to this reply as **Annexure B.P.4.**

**Query No.5:**

MePTCL is directed to submit the details of assets de-capitalized for FY 2024-25

**MePTCL’s Reply:**

MePTCL would like to submit that the details of the assets decapitalized in FY 2024-25 is being submitted as **Annexure B.P.5** to this reply.

**Query No.6**

It is directed to furnish the supporting data to the above Petition filed in the formats notified in Appendix-B in the formats T1(A), T1(B), T2(A), T2 (B), T3, T4 (A), T4 (B), T4 (C), T5(A), T5(B) and T (6) for Transmission Utility.

**MePTCL’s Reply:**

MePTCL would like to submit that all the prescribed Technical Format are annexed to this Reply as Annexure B.P.6

**D. Petition for True Up of SLDC Business for FY 2024-25**

**Query No. 1**

SLDC (MePTCL) is directed to furnish the actual loan portfolio duly certified by the auditor in the format as attached in Annexure C along with supporting documentation to substantiate the explanation. This could include

1. Loan agreements or amendments,
2. Bank Statement for year-wise Repayment and Interest paid

**MePTCL/ SLDC’s Reply:**

Meghalaya SLDC would like to submit that as on date there is no actual loan for the SLDC Business and hence as mentioned in the Petition, since the interest on loan has been computed on normative basis in line with the provisions of MYT Regulations, 2014

*“The weighted average rate of interest has been considered as the weighted average rate of interest of FY 2024-25 (True Up) which is subject to change based on actuals at the time of truing up of subject year i.e., FY 2026-27.”*

**Query No.2**

SLDC (MePTCL) has claimed Rs 0.18 Cr under the line item of Contribution of Provident Fund vide Table No. 40 (Employee Expenses (Rs. Cr.) for FY 2024-25) of the petition. In this regard, SLDC (MePTCL) is hereby directed to submit the reconciliation of this expenditure.

**MePTCL/SLDC’s Reply**

Meghalaya SLDC would like to submit that the Contribution to Provident Fund is being claimed as per the Note 17 of the audited state of accounts of SLDC submitted along with the Petition. The note 17 of the Audited SOA of SLDC is reproduced below:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **For the year ended 31st March, 2025** | **For the year ended 31st March, 2024** |
| Salaries and wages | 2,99,37,663 | 2,89,11,665 |
| Contribution to provident and other funds | 18,20,940 | 16,63,844 |
| Staff welfare expenses | 39,877 | 2,48,144 |
| Employee Cost Prior Period |  |  |
| **Total** | **3,17,98,480** | **3,08,23,653** |

The breakup of Rs. 18,20,940 can be verified from the Row No. 112 and Row No. 154 of the Trial Balance of the excel version of the accounts submitted along with the Petition.

**Part E: Revised ARR for SLDC Business for FY 2026-27**

**Query No.1**

The Commission has noticed that the actual “Addition to GFA” for FY 2022-23, FY 2023-24 and FY 2024-25 was Rs 0.23 Cr, Rs 8.47 Cr and Rs 0.01 Cr only respectively.

However, SLDC (MePTCL) claimed Rs 39.12 Cr and Rs 56.56 Cr for FY 2025-26 and FY 2026-27 respectively vide Table No. 48 of the petition. In this regard, SLDC (MePTCL) is directed to submit the basis of projection of such a high amount of “Addition to GFA” for FY 2025-26 and FY 2026-27 with valid documentary evidence.

**MePTCL/ SLDC’s Reply:**

MePTCL would like to submit that the capitalization for FY 2025-26 and FY 2026-27 has been considered strictly in line with the Business Plan approved by this Hon’ble Commission vide order dated 16.11.2023 in Case No. 21 of 2023. The details of the schemes projected to be capitalized in FY 2025-26 and FY 2026-26 along with the funding pattern is being submitted as **Annexure E.P.1**

**Query No.2**

SLDC (MePTCL) submitted the “Movement of Grants and Loan and Equity” vide Table No. 49 of the petition without providing any elaborative details of the basis of the projection of the ‘Grant’ addition.

*The Commission directs MePTCL to submit a comprehensive methodology used for projecting the “Add Cap Funded Through Grant”*. *The submission must include valid documentation and supporting evidence to substantiate the projections made in the petition.*

**MePTCL/ SLDC’s Reply:**

MePTCL would like to submit that the details of the projected capitalization along with the funding pattern has been claimed as per the Business Plan approved by this Hon’ble Commission. The details of the same has been provided in the Annexure to the query above. Further, for the purpose of tariff the debt: equity ratio has been considered as normative 70:30 in line with the provisions of MYT Regulations 2014.

**Query No.3:**

SLDC (MePTCL) should furnish the details of the projected loan capital for FY 2025-26 and FY 2026-27 in a proper format.

**MePTCL/ SLDC’s Reply:**

MePTCL would like to submit that the loan agreements/ arrangements for the projected capitalization are yet to be finalized and MePTCL craves leave of this Hon’ble Commission to submit the actual loan portfolio if any at the time of respective true ups.

**Query No. 4:**

It has been noticed that under para 9.7 of the petition, Non-tariff income for FY 2026-27 has not been computed and claimed. SLDC (MePTCL), in this regard, is directed to submit the detailed computation of Non-tariff income/ Other Income for FY 2025-26 and FY 2026-27.

**MePTCL/SLDC’s Reply:**

MePTCL would like to submit that the Non-Tariff Income has been projected on the basis of actual Non-Tariff Income for FY 2024-25. Since, the Non-Tariff income in FY 2024-25 is only Rs. 2,586 it appears to be zero. Further, as detailed out in the Petition

*“The Non-tariff income has been claimed as per the statement of accounts with certain exclusions as considered by Hon’ble Commission in previous True Ups*

*MePTCL would like to submit that the other income for SLDC business does not include the SLDC Charges and OA charges. It is pertinent to mention that the Hon’ble Commission vide its order dated 10.04.2014 on the ARR of SLDC for FY 20214-15 as decided as under:*

*This year the Commission has created the SLDC funds for making the capital expenditure in strengthening the SLDC functions as per the national standards. This fund shall be utilized by SLDC after getting the prior approval of the Commission by submitting the specific capital investment plan for FY 2024-15. To fund the SLDC fund, the income from open access consumers shall be used. Accordingly, the Commission is not accounting for this income for the purpose of the ARR to be charges from transmission and generation companies.*

*However, since the segregation of ARR of SLDC was being carried out first time as per the directions of the Hon’ble Commission, MePTCL vide letter dated 3rd November 2023 sought clarification from the Hon’ble Commission that whether the above directive still remains operative or not.*

*Hon’ble Commission vide letter dated 15th November 2023 has replied that the directive still remains valid and hence directed MePTCL to take into accounts these terms and conditions while filing the separate ARR for SLDC. Accordingly, the total amount of Rs. 1.50 Crore as appearing in the SLDC accounts on accounts of charges collected from the Open access consumers has not been considered as non-tariff income.”*