

BEFORE THE HON'BLE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
SHILLONG

IN THE MATTER OF ADDITIONAL INFORMATION (2) SOUGHT BY HON'BLE COMMISSION AGAINST THE PETITION FILED BY MePDCL FOR TRUING UP OF DISTRIBUTION BUSINESS FOR FY 2024-25 AND REVISED ARR FOR FY 2026-27 AND DETERMINATION OF TARIFF FOR FY 2026-27 FOR MePDCL.

MOST RESPECTFULLY SHOWETH

Meghalaya Power Distribution Corporation Limited has filed the Petition for Annual Truing Up for FY 2024-25 of Distribution Business and Revised ARR and Distribution/ Retail Tariff for FY 2026-27 on 28/11/2025.

Hon'ble Commission vide letter MSERC/TRUE-UP-FY 2024-25/MePDCL/2025/419 Dated 16th February, 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.

MePDCL 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- Discrepancies / observations in respect of the True up petition for FY 2024-25 and revised ARR for FY2026-27

Query No.1 – Power Purchase

a. Query Pertaining to Ganol Prior Period Expenses

MePDCL's Reply:

MePDCL would like to submit that the Ganol Small Hydro Project (22.5 MW) was commissioned in August 2023. MePGCL filed a Petition before the Hon'ble Commission for determination of tariff which was disposed of by Hon'ble Commission on 13.03.2024 with following order:

“The RE Tariff Shall be applicable from 01.04.2024. The levelized Tariff for 40 years of the life time of the project is notified in this Order.”

MePGCL filed a review Petition against the aforesaid order on the ground that the Tariff should be applicable from the date of COD. The review was accepted by the Hon'ble Commission vide the order dated 29.08.2024 post which the bills were raised by MePGCL from the date of Commissioning of the project. Hence, the Ganol Prior Period (CoD to Mar 2024) was billed in FY 2024-25 and is claimed in the instant Petition.

b. Query Pertaining to Month Wise Power Purchase and expenses:

MePDCL's Reply:

MePDCL would like to submit that the detailed reconciliation of the power purchase expenses have been submitted along with the Additional Information (I) as Annexure P.A.1.(d) and Annexure P.A.1.(e). The same annexures with same name are being resubmitted along with this reply.

c. Query Pertaining to Difference in NEEPCO Power Purchase Cost

MePDCL's Reply:

MePDCL would like to submit that NEEPCO submits the monthly on consolidated basis it seems that some of the amount has been missed out while bifurcating the amount into individual project. However, MePDCL has submitted the month wise Invoice received from all the power producers including NEEPCO. Further, it can be verified from the audited statement of accounts Row No. 1326 of the Trial Balance that the total power purchase expenses from NEEPCO is Rs. 269.51 Crore. Further, MePDCL has also submitted the reconciliation of the power purchase expenses with the Statement of Accounts.

d. Query Pertaining to the MePGCL Generating Stations

MePDCL's Reply:

MePDCL would like to submit that the power from the State Generating Stations i.e., the stations owned by the MePGCL are hydro in nature and are must run and hence it cannot be backed down. MePDCL has procured all the power generated from MePGCL. However, since the actual generation from MePGCL Stations was lower than the approved value hence there is a difference in approved quantum and actual quantum.

Further with regards to the difference in the billing, MePDCL would like to submit that MePGCL was raising bills as per the old tariff order till October 2024. After the issuance of final tariff order the on 24.10.2024, MePDCL started billing at the revised tariff (Reduced) and the difference was passed on 9 equal instalments part of which was billed in 2024-25 while the balance was billed 2025-26.

Further the bills were raised based on actual quantum of energy generated.

e. Query Pertaining to Cost of Power from MePGCL

With regards to the difference in the claim of power purchase against the MePGCL owned stations and the amount booked in Statement of Account, MePDCL has already submitted a detailed reconciliation statement as part of additional information I.

Further, it can be seen from the Audited Statement of Accounts of MePGCL, the revenue booked there is Rs. 551.71 Crore only which is in line with the amount booked by MePDCL. Thus there is no discrepancy.

Further, MePDCL would like to clarify the revenue claimed by the Generation company in their Petition is based on the methodology adopted by the Hon'ble Commission in previous true up i.e., the entire ARR allowed less the tariff difference passed in FY 2024-25. Thus the revenue claimed by the generating company is not the actual amount billed based on the actual generation. While the claim of the MePDCL is based on the bills based on actual generation raised by MePGCL.

MePDCL would like to further submit that the amount claimed by MePGCL exclusive of Ganol is Rs. 452.63 Crore (Based on additional submission I made by MePGCL) whereas MePDCL has claimed an amount of Rs. 439.24 Crore which exclusive of 5 instalments of arrears which has been booked in FY2025-26.

f. Query Pertaining to the separate line item of FPPAS

MePDCL's Reply:

MePDCL would like to submit that separate head for booking of FPPAS could not be created in FY 2024-25 and hence it was included in the revenue from sale of power to individual consumer category. However, due care is being taken that the audited statement of FY 2025-26 reflects the amount pertaining to FPPAS separately as an expense item instead of clubbing it with the revenue from sale of power.

The auditor's certificate in this regards has already been submitted along with the Petition.

g. Query Pertaining to FPPAS balances in Trial Balance

MePDCL's Reply:

MePDCL would like to humbly submit that the amount shown in the Trial balance under the heads mentioned in the query does not pertain to FPPAS. These amount pertain to debit and

credit bills raised on the consumers due to bill revisions, rectifications etc. However, they are wrongly booked under the head of FPPAS.

MePDCL would like to further submit that FPPAS has been included in the bills of consumer and hence is part of current bill payable accordingly all the amount related to FPPAS was booked under the revenue from sale of power within the state.

h. Query Pertaining to the Prov. Liability of Power Purchase (VARPOOL)

MePDCL's Reply:

MePDCL would like to submit that this amount pertains to the excess payments made to the sources of power purchases. However, since it is a provision it has not been claimed anywhere in the ARR under power purchase expenses or any other head.

i. Non-inclusion of the Quantum of UI in the Power Purchase Cost Sheet

MePDCL's Reply:

MePDCL would like to submit that it has submitted two sheets in the excel based model under Sheet "Availability" the DSM quantum of the 39 MU has been shown separately however, in the Power Purchase Cost sheet the same has not been separately because the primary purpose of the sheet was cost claim. However, the quantum of sale and purchase has been considered while computing the energy balance. MePDCL requests the Hon'ble Commission to condone the error since it does not have any material impact on the ARR.

j. Treatment of Cost Pertaining to VARPOOL and POSOCO

MePDCL's Reply:

MePDCL would like to humbly submit that the cost pertaining to VARPOOL Rs. 0.09 Crore and POSOCO Rs. 1.35 Crore is included under the head power purchase cost of Rs. 1340.59 Crore as shown under Note 26 of the Audited Statement of Accounts. MePDCL would like to further submit that these claims were missed out while filing the original petition however, in response to the **additional information (I)** MePDCL has corrected the same and has requested to consider the revised power purchase cost including the amount of Rs. 1.44 Crore.

k. Treatment of Debit Bills as per Note 26.1 (a) of Audited Statement of Accounts

MePDCL's Reply:

MePDCL would like to submit that the claims towards power purchase expenses is strictly based on the Audited Statement Account. The cost of power from individual sources has been provided in the SOA after the adjustment of the Debit Bills while credit bills are shown under Rebate from Power purchase. Thus the details of supplementary bills have been shown only for the purpose of compliance and the value of such bills is already included in the power purchase cost of respective provider.

Further, MePDCL would like to once again humbly pray the Hon'ble Commission that since all the figures have been extracted from the Audited Statement of Account the requirement of Auditor's Certificate in this regards may please be condoned.

l. Query Pertaining to Advances towards power purchase:

MePDCL's Reply:

MePDCL would like to humbly submit that the advances against power purchase are currently under reconciliation and shall be completed within this financial year. However, since it does not have any impact on the tariff MePDCL prays the Hon'ble Commission to allow reconciliation to be completed in this financial year.

Query 2- Gross Fixed Asset

a. Query Pertaining to Fixed Asset Register

MePDCL's Reply:

MePDCL would like to humbly pray that the process of preparation of digitized fixed asset is not yet completed and would require time. Hence, MePDCL humbly prays the Hon'ble Commission to allow some more time for the submission of Fixed Asset Register considering the complex nature of distribution network.

b. Query Pertaining to Deletion of Asset worth Rs. 0.83 Crore

MePDCL's Reply:

MePDCL would like to submit that the restated capitalization as shown in the Note of the books of accounts is net of addition and deletion and hence the deletion component is not appearing separately. However, while working for the additional capitalization, MePDCL has identified these deletions and claimed accordingly. Thus if the total capitalization as shown in the Note of the accounts (Restated +Current) is matched with claim of MePDCL (Addition +Deletion) it will accurately match.

Total Prior Period Capitalization as per SOA- Rs. 773.05

Total Current Year Capitalization as per SOA – Rs. 50.42

Total Capitalization as per SOA - Rs. 823.47

Additional Capitalization Claimed by MePDCL – Rs. 824.30

Deletion Claimed by MePDCL - Rs. 0.83

Net Capitalization - Rs. 823.47

3. Operation and Maintenance Expenses

a. Query Pertaining to the Provident Funds:

MePDCL's Reply:

MePDCL would like to submit that the Statement made by the Auditor is the Standard Para. However, MePDCL would like to submit that barring minor legacy issues which pertains to the period prior to trifurcation all the statutory dues have been paid within the stipulated time including GST, PF and other statutory dues.

4. Loan Portfolio

a. Query Pertaining to default

MePDCL's Reply:

MePDCL would like to submit that the Loans pertaining to the RAPDRP-A and B no demand has been received from the PFC and the process of consideration of converting these loans into grants is still under process hence though no payment has been made against these loans it does not tantamount to default. Further, no interest cost against these loans has been considered while computing the weighted average rate of interest as per the methodology adopted by Hon'ble Commission. For clarity the computation of weighted average rate of interest is reproduced below:

Particular	RAPDRP-A	RAPDRP-B	PFC 325 Cr.	State Government	IPDS
Opening Balance	12.19	104.06	171.38	175.45	4.44
Addition	0	0	0.00	0	0
Repayment	0	0	46.43	0	4.44
Closing Loan	12.19	104.06	124.95	175.45	0.00
Average Loan	12.19	104.06	148.17	175.45	2.22
Interest as per SOA	0	0	15.41		0.14259
Less: Penal Interest	0.00	0.00	0.00	0.00	0.00
Net Interest	0.00	0.00	15.41	0.00	0.14
Rate of Interest	0.00%	0.00%	10.40%	0.00%	6.42%
WAROI	3.52%				

Further, the State Government loan are also in the process of conversion to equity along with the accrued interest hence, in line with the RAPDRP-A and B the interest on loan on state government loan has been considered as zero.

b. Query Pertaining to the State Government Loans

MePDCL's Reply:

MePDCL would like to submit that details of all state government loan has been shown under the Note 16.4 of the Accounts which has already been audited by the auditor. Further, since no interest against these loans has been included in the computation of weighted average rate of interest hence these loans do not have any impact on tariff.

c. Query Regarding SAUBHAGYA:

MePDCL Reply:

MePDCL would like to submit that the ongoing dispute with respect to SAUBHAGYA has been resolved and the closure report has already been submitted to the Ministry of Power, Government of India. It is also pertinent to mention that due to non-utilization, some of the amount was retracted back by Ministry of Power, for which MePDCL is rigorously following up and on receipt of such amount the capitalization shall be done immediately after making payments to the contractors.

d. Query Regarding Balances and Penal Interest on RAPDRP-A and B and State Government Loans

MePDCL's Reply:

MePDCL would like to submit that as stated earlier that it has considered zero interest against all the above three loans hence, inclusion of the penal interest in the claim does not arise. This can be verified from the table as well as the table reproduced above.

5. Energy Balance

a. Query Pertaining to the Inter-State Transmission Losses in Energy Balance

MePDCL's Reply:

MePDCL would like to humbly submit that the inter-state transmission losses have been considered as per the losses declared by the POSOCO for every week of 2024-25. The details

of losses published by POSOCO on their website is annexed to this reply as **Annexure- Inter-State Transmission Losses**

6. Energy Sales:

a. Query Pertaining to Billing determinants

MePDCL's Reply:

MePDCL would like to humbly submit that the required data is submitted as **Annexure –Billing Determinants** to this reply.

b. Query Pertaining to Instalments Being Billed to Consumer on Account of Tariff Difference

MePDCL's Reply:

MePDCL would like to submit that the details of all the instalments with month wise category wise breakup has already been submitted as Additional Submission I wherein MePDCL has requested to consider all the 4 instalments billed in FY 2024-25 and 5 instalments billed in 2025-26 as revenue in FY 2024-25. Further, there is no over recovery highlighted by any consumer as of now.

c. Query Pertaining to Booking of FPPAS in Audited Statement of Account

MePDCL's Reply:

MePDCL would like to submit that the FPPAS was passed on to the consumers as part of current bills hence the amount of FPPAS passed on the consumers has been clubbed in the revenue of individual consumer category. To substantiate this MePDCL has submitted the auditor's certificate as **Annexure F** to the original petition wherein it has been clearly mentioned that the amount of FPPAS passed on to the consumer is included in the revenue from sale of power as shown in the books of the accounts. The auditor certificate submitted is resubmitted as **Annexure – Auditor's Certificate FPPAS** to this reply.

Further, MePDCL would like to submit that from FY 2025-26 due care is being taken that the FPPAS is shown as a separate expense line item in the books of accounts.

d. Query Pertaining to Load Factor

MePDCL's Reply:

MePDCL would like to submit that the required information has already been submitted before the Hon'ble Commission as separate data information sought by Hon'ble Commission.

7. Trade Receivables

a. Details Reconciliation of the Trade Receivables with Audited Statement of Accounts and Trail Balance

MePDCL's Reply:

MePDCL would like to submit that the detailed breakup of trade receivables is provided at Note 7.3 of the Audited Statement of Accounts which is as under;

Particulars	As at 31st March 2025 (In Lakhs)
Receivables from Sale of Power, including FPPA (within the State)	47,699.91
Receivables from Sale of Power- Inter State (Assam)	0.72
Receivables from Sale of Power- Inter State (Mizoram)	13.69
Receivables from Sale of Power- Outside the State (Unscheduled Interchange and others)	4,932.84
Receivables from Sale of Power- Miscellaneous, including RRAS	4,825.67
Electricity Duties Receivable	4,209.91
Total	61,682.75

The receivable that is related to Tariff is the amount shown as Receivable from Sale of Power (within the state) amounting to Rs. 476.99 Crore. This includes an adjustment of Rs. 69.71

Crore on account of Special Tariff. Further, the detailed breakup of the balance amount with the relevant accounting code and Row No. of Trial Balance is annexed to this reply as **Annexure – Breakup of Receivable from Sale of Power Within State.**

9. Special Tariff

MePDCL's Reply:

MePDCL would like to submit that the information regarding the special tariff has already been submitted along with penalty billed to the consumers for non-maintenance of the load factor of 68% has been submitted before the Hon'ble Commission as response to additional information (i). However, the same is being submitted again along with this information as **Annexure- Certification for Special Tariff.**

10. Query Pertaining to Surplus for FY 2026-27

MePDCL's Reply:

MePDCL would like to submit that the requisite information is annexed to this **Annexure – Surplus Power FY 2026-27.**