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

**IN THE MATTER OF ADDITIONAL INFORMATION (2) 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 2026-27 on 27/11/2025.

Hon’ble Commission vide letter MSERC/True-Up-FY 2024-25/MePTCL/2025/416 dated 16th 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 would like to humbly pray Hon’ble Commission that there has been a delay of 2 days in filing the additional information (2) due to the ongoing assembly session which has concluded on 27.02.2026. Hence, MePTCL humbly prays the Hon’ble Commission to condone the delay.

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 FY 2024-25**

**Query No. 1- Gross Fixed Assets**

1. The Commission, vide para 2.5.12 of the True Up Order for FY 2023-24, directed the MePTCL to conduct Third-Party Physical Verification of its assets within 6 months for preparation of a consolidated digitalized Fixed Asset Register (FAR) duly reconciled by Third-Party and submit the report of the same with the Commission for its consideration. However, MePTCL has not submitted the said data, rendering it non-compliant with the Commission’s direction. **Directive:** In this regard, MePTCL is directed to submit the FAR.

**MePTCL Reply (i):**

MePTCL would like to submit that has submitted in the additional information I, MePTCL has not been able to finalize the digitization of Fixed Asset Register and it might take some more time. Hence, MePTCL once again requests the Hon’ble Commission to kindly grant some more time for the submission of digitized FAR.

1. The Commission observes that MePTCL had not reported any ‘Intangible Assets’ up to FY 2023-24 in its Audited Financial Statements. However, in the current year (FY 2024-25) Financial Statements, there is a claim of ‘Opening Intangible Assets’ amounting Rs 5,65,20,797, out of total “Opening Gross fixed assets” of Rs 6,57,53,41,515. It is further noted that the entire said claim predominantly pertains to the SLDC business.

**MePTCL’s Reply:**

MePTCL would like to submit that as a part of exercise to bring more transparency in the Financial Statement, MePTCL has re-classified the assets which were of intangible in nature but the same were being reported under the head office equipments. These include the SCADA EMS system, Automated Demand Management System and Software related to ADB meters. Since, all these pertain to SLDC they have been reported under the SLDC business instead of MePTCL as from 2024-25 separate ARR are being filed for the same. In this regards MePTCL would like to submit that the audited Statement of Accounts for SLDC business (audited by independent auditor) is annexed to this reply as **Annexure P.A.1.ii.**

1. MePTCL has claimed an amount of Rs 64.61 Cr under the ‘Additions to the GFA during the year’ in respect of the ‘Lines and Cable Network’ for its transmission business. Directive: In this regard, MePTCL is hereby directed to submit the detailed breakup of work under the head of Lines and Cable Network along with supporting documents including but not limited to:

a) Original Board approval and Government approval,

b) Detailed Project Report,

c) Fund deployment details,

d) Certificate of Authorised signatory for completion of the projects,

e) Detailed Financing of the schemes

f) Any cost benefit analysis for these projects etc.

**MePTCL’s Reply (iii):**

MePTCL would like to submit that the capitalized projects are funded through PSDF grants and the documentation of these might be very voluminous. Hence, MePTCL craves leave of the Hon’ble Commission to submit the sought information. Further, since these are funded through grants and hence do not have any impact of tariff hence cost benefit analysis might not be required.

1. The Commission observes that MePTCL has filed True-Up and Revised Tariff claims separately for its Transmission and SLDC businesses. However, while claiming Annual Revenue Requirement (ARR) components, it is noted that amounts pertaining to the SLDC business have been deducted from the consolidated Financial Statements of the Transmission business and then the net figures have been claimed accordingly. Since Transmission and SLDC are distinct businesses, their Financial Statements ought to be separately prepared and duly audited, without intermixing or overlapping of accounts.

**Directive:** Accordingly, MePTCL is directed to submit separately prepared and independently audited Financial Statements for its Transmission business exclusively, clearly segregated from the SLDC business, for proper regulatory scrutiny.

**MePTCL’s Reply (iv):**

MePTCL would like to humbly submit that though the functions of MePTCL and SLDC has been bifurcated and the amounts in the ARR has been separated only for regulatory compliance. However, since Meghalaya SLDC is a not a separate legal entity as it is not a registered company under any Companies Act and acts as SBU of the Transmission Company separate accounts audited by the Statutory Auditor is not possible. However, for the purpose of the tariff specifically, MePTCL has adopted the practice of Segmental Reporting under is Statement of Accounts audited by Statutory Auditor at Disclosure 40.

Further, the SLDC accounts have been audited by independent auditor and submitted along with the Petition and along with this reply as **Annexure P.A.1.ii.**

**Query No.2- Non-Tariff Income**

The Commission observes that an amount of Rs. 7.22 Crore has been booked under “Provision Written Back” in Note 26 (Other Income) of the Audited Financial Statements. However, the aforesaid amount has not been considered under Non-Tariff Income in Table 15 of the Petition. Directive: In this regard, MePTCL is directed to:

a) Justify the discrepancy between the Audited Financial Statements and the Petition; and

b) Submit a detailed break-up of the amount booked under “Provision Written Back,” along with supporting ledger extracts and relevant documentation.

The reconciliation shall clearly indicate whether the said income has been excluded from the ARR computation and the reasons thereof.

**MePTCL’s Reply:**

MePTCL would like to submit that the provisions written back as shown in the audited statement of accounts under Note 26 pertains to the provisions made in FY 2016-17 for the impact of Revision of Pay. In the Audited Statement of Accounts, the provisions were shown under the current liability and the details of the same were provided under Note 12 and Note 24.4 of Audited Statement of Accounts for 2016-17. The amount of provision made at that time was Rs. 1585.80 Lakhs. The reversal pertains to the differential amount of the provision made and actual expenditure incurred towards Revision of Pay.

Since, this provision was shown under the head “Current Liabilities” this item was never claimed in the ARR or Truing Up of FY 2016-17.

For the purpose of verification and MePTCL is submitting the excel sheet of the Statement of Accounts for FY 2016-17 as **Annexure P.A.2.**