



Petition for
Final True-up of FY 2023-24, APR of FY 2024-25,
ARR of FY 2025-26
&
Tariff Determination for FY 2025-26
of
MANIPUR STATE POWER DISTRIBUTION
COMPANY LTD (MSPDCL)
for its Distribution and Retail Supply Business

Submitted to:

Manipur Electricity Regulatory Commission

By

**MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
(MSPDCL), IMPHAL**

January, 2025

**BEFORE THE HONOURABLE MANIPUR ELECTRICITY REGULATORY
COMMISSION**

FILING NO _____

CASE NO _____

IN THE MATTER OF: Petition for Approval of Final True-up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 for Manipur State Power Distribution Company Limited (MSPDCL) under Sections 45, 46, 61, 62 and 64 of the Electricity Act 2003 and as per the JERC (Multi Year Tariff) Regulations 2014.

AND IN THE MATTER OF: Manipur State Power Distribution Company Limited (hereinafter referred to as "MSPDCL", which shall mean for the purpose of this Petition the "Licensee" or "Petitioner") having its registered office at Imphal, Manipur.

The Petitioner, under sections 45, 46, 61, 62 and 64 of the Electricity Act, 2003 files for initiation of proceedings by the Hon'ble Commission for deciding on the matters concerning the approval of Final True-up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26, Tariff Determination for FY 2025-26 for Manipur State Power Distribution Company Limited (hereinafter referred to as "MSPDCL" or "Petitioner")

The Petitioner respectfully submits as under:

1. The Petitioner is the sole Distribution Licensee in the State of Manipur, which has been formed after the restructuring of the erstwhile Electricity Department of Manipur. With effect from 1st February, 2014, the Electricity Department of Manipur has been restructured into two Companies, viz., the Manipur State Power Distribution Company Limited (MSPDCL) responsible for distribution and retail supply in the State of Manipur, and the Manipur State Power Company Limited (MSPCL) responsible for generation and transmission functions in the State of Manipur.
2. As per JERC (Multi Year Tariff) Regulations, 2014 (also as adopted by MnERC), the ARR and tariff of transmission and distribution are to be determined separately. In the Tariff Order for FY 2014-15, the Hon'ble Commission has also issued a directive for filing separate Petitions for Transmission Business and Distribution and Retail Supply Business. The two restructured Companies had filed separate ARR Petitions for Distribution and Transmission for the first time at the time of tariff determination for FY 2015-16, and the Hon'ble Commission issued separate Orders for Transmission and Distribution.

3. Pursuant to the enactment of the Electricity Act, 2003 MSPDCL is required to submit its Annual Revenue Requirement (ARR) and Tariff Petition as per procedures outlined in Sections 61, 62 and 64 of the Electricity Act, 2003 and the governing regulations thereof.
4. MSPDCL hereby submits its Petition for approval of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 in accordance with the principles specified in the JERC (Multi Yr Tariff) Regulations, 2014, and its subsequent amendments, as notified by the Hon'ble Commission.
5. MSPDCL prays to the Hon'ble Commission to admit the enclosed Petition of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26.

Manipur State Power Distribution Company Limited
Petitioner

Place: Imphal

Dated:

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Chapter 1: Introduction

1.1. Historical Background

- 1.1.1. The commissioning of the two micro hydel sets having capacities of 100 kW and 56 kW at Leimakhong in 1930 by the then Manipur State Electricity Board marked the beginning of the use of electricity in Manipur. The Royal palace and main areas of Imphal Town enjoyed electricity generated from this captive hydel station. During World War-II, two more DG sets of 62 kW and 46 kW capacities were installed at the old Imphal Power House by the Armed Forces for electrification of Imphal town and its suburbs. The above installed capacity remained the same till the end of the first Five Year plan (1951-56) of the post- independence period. The second Five Year Plan (1956-61) however saw a significant change in the demand of power in the State. The demand grew rapidly, which necessitated further addition in the generation capacity that was accomplished with the installation of a few more DG sets of various capacities in and around Imphal.
- 1.1.2. To evacuate the power generated from the captive micro hydel power station (100 + 56) kW at Leimakhong to specific load centres of Palace Compound and main bazar area of Imphal, the 20 km long, 11 kV line between Imphal and Leimakhong was constructed for the first time in Manipur in 1930. The State was then having 26 km of 11 kV lines and 45 km of domestic lines to serve very few consumers in 7 villages/Leikais. The line and generating stations were owned by the then Manipur State Electricity Board, constituted under the ex-officio Chairmanship of the Political Agent. Subsequently, electricity was kept under the administrative control of the Public Works Department, Government of Manipur. It was separated from the State PWD and started functioning as an independent Department since February 1970.
- 1.1.3. The peak load demand of Manipur in 1971 was 3.6 MW only, which was met from the State's own generating stations and power purchased from the neighboring States/Electricity Boards at low voltage. The per capita consumption of energy was 4.84 kWh. The scenario abruptly changed after the purchase of bulk power from Assam with the commissioning of 132 kV inter-State transmission line from Imphal to Dimapur and 6.3 MVA, 132/33 kV sub-station at Yurembam in December 1981. The situation improved further with the commissioning of Loktak Hydro Electric Project having a capacity of 3x35 MW on 4 August, 1984.
- 1.1.4. During the years from 1984 to 1996, a number of Central Sector Power Projects, mostly hydel projects, were commissioned in the North Eastern Region. Manipur State has a share of about 7-8% in every project. Because of the power availability from such projects, the peak demand of the State has increased gradually and in FY 2020-21, it has increased to 261 MW (as per Central Electricity Authority, Executive Summary on power sector: March-2021).
- 1.1.5. After the enactment of Electricity Act 2003, various reforms have been initiated in the power sector including restructuring of integrated State Electricity Boards into separate Companies. With effect from 1 February, 2014, the Electricity Department of Manipur (EDM) was restructured and separated into two different entities, viz., (1)

Manipur State Power Distribution Company Limited (MSPDCL), and (2) Manipur State Power Company Limited (MSPCL).

- 1.1.6. As per Electricity Act 2003, JERC has issued JERC Tariff regulations 2014, which requires distribution licensees to file annual tariff petitions for determination of tariff under Multi Year Tariff framework. Accordingly, MSPDCL is submitting the present petition for Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 for its Retail Supply Business to the Hon'ble Commission.

1.2. Power Profile of MSPDCL

- 1.2.1. Manipur, like other States of the North-Eastern Region, has been gifted with a fairly high hydro power potential. However, the major portion still remains untapped due to financial and environmental bottlenecks. Therefore, the State is dependent upon outside sources for meeting majority of its energy requirement. It is currently getting power from NTPC, NHPC, NEEPCO and ONGC Tripura Power Corporation (OTPC) Unit I and Unit II. The scheduled allocated firm share from the Central Sector generating stations to MSPDCL for current financial year from NTPC Bongaigaon, NEEPCO, NHPC and OTPC-I and II is currently around 243 MW.
- 1.2.2. For the purpose of evacuating power from different sources in the North- Eastern Region, the inter-state transmission network owned and maintained by PGCIL as well as the intra-state transmission network owned by the Manipur State Power Corporation Limited (MSPCL) is utilized.

The existing intra-state transformation capacity of Manipur consists of –

- (i) 18 number of 132 kV Substations with capacity of 811 MVA and line length of 776 Km.
- (ii) 1 number of 400 kV Substation with capacity of 315 MVA and line length of 45.1 Km.
- (iii) 107 number of 33 kV Substations with capacity of 955 MVA and line length of 1770 Km.
- (iv) 216 Feeders of 11 kV and above (rural and urban) and 9576 numbers of DTs (rural and urban).
- (v) MSPDCL's capacity of LT network is 903 MVA and capacity of HT network is 210 MVA.
- (vi) MSPDCL's Length of LT network is 20363 KM and Length of HT Network is 8113 Km.

1.3. Background of Regulatory Setup

- 1.3.1. The State Governments of Manipur and Mizoram authorized the Government of India to constitute a Joint Commission as per Memorandum of Agreement dated 24rd July, 2004 among the Government of India and the States of Manipur and Mizoram to regulate the power sector in the States of Manipur and Mizoram. Accordingly, under provisions of Section 83(5) of the Electricity Act, 2003, a quasi-judicial independent body, i.e., the Joint Electricity Regulatory Commission for the States of Manipur & Mizoram (JERC) was constituted by the Central Government vide Govt. of India F. No. 24/3/2002- R&R dated 18 January, 2005 notified in the Gazette of India, Extraordinary dated 18 January, 2005. The functioning of the Commission started on January 2008. The Hon'ble JERC issued its first Tariff Order for FY 2010-11 for the State of Manipur on 15 March, 2011.
- 1.3.2. A separate State Electricity Regulatory Commission named as "Manipur Electricity Regulatory Commission (MnERC)" was constituted vide Govt. Order No. JERC/1/2022-POW-PD-Part(1) dated 22nd July 2024. As per Manipur State Regulatory Commission (MnERC) vide Notification No. MnERC/Regulations/1/2024

dated 8th Oct 2024 stating the adoption of the Regulations issued by the Joint Electricity Regulatory Commission (JERC) MoM effective from July 23rd, 2024, until new regulations for the Manipur Electricity Regulatory Commission (MnERC) are framed. As such, MSPDCL is filing the tariff petition under the existing JERC Regulations.

- 1.3.3. JERC (Multi Year Tariff) Regulations, 2014 requires the Licensees to submit the True up Petition for the previous year and ARR Petition for the ensuing financial year before 30th November of the current year. Since, MSPDCL as a new corporate entity has now completed the preparation of audited account statements till FY 23-24. To fulfil this statutory requirement, MSPDCL is filing the present Petition for approval of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 in accordance with the JERC (MYT) Regulations, 2014, and its subsequent amendments.

1.4. Contents of this Petition

- 1.4.1. This Petition covers the final audited figures for Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 along with the audited account statements of FY 2023-24 as Annexure.

2. Chapter 2: Overall Approach for Present Filing

MSPDCL is filing the petition for the Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26. MSPDCL has studied the previous trends and taken cognizance of other internal and external developments to estimate the likely performance for FY 2024-25 and FY 2025-26.

2.1. Approach for Filing

The present filing for the for the Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 is based on the principles enumerated by the Joint Electricity Regulatory Commission's (JERC) (Multi Year Tariff) Regulations, 2014 notified on 9 June, 2014.

It is important to consider the actual data for past years because it forms the base for future projections. Hence, MSPDCL is submitting the actual sales and power purchase data for FY 2023-24, which forms the base for projections for the ensuing year FY 2024-25. Therefore, a final true up of FY 2023-24 has been prepared based on the actual sales and power purchase data. For data other than sales and power purchase, MSPDCL has considered the actual values for first six months of FY 2024-25 in such as for O&M, depreciation, interest and finance charges, interest on working capital and approved values for non-tariff income.

Projections of various cost components required for determination of Aggregate Revenue Requirement for FY 2025-26 along with the rationale for estimation of such cost and the philosophy have been covered in this section.

3. Chapter 3: True up of FY 2023-24

MSPDCL is, hereby, submitting petition for Final true up of FY 2023-24 as per Regulation 10.2 of JERC (Multi Year Tariff) Regulations, 2014 based on audited annual accounts. As per Regulation 10.6 of JERC (Multi Year Tariff) Regulations, 2014, the Commission has to undertake true up based on audited accounts and pass an order recording approved aggregate gain or loss on account of controllable factors and the amount of such gains or losses that may be shared in accordance with Regulation 13 of JERC (Multi Year Tariff) Regulations, 2014.

It may be noted that the present true-up Petition is based on the comparison of the actual expenses and revenue for FY 2023-24 with the expenses and revenue considered by the Hon'ble Commission in the Annual Revenue Requirement (ARR) of FY 2023-24 as decided in the JERC tariff Order for True up for FY 2021-22, APR for FY 22-23 and MYT for FY 2023-24 to FY 27-28 dated 28/03/2023.

3.1. Energy Sales

MSPDCL caters to a diverse consumer mix comprising of:

- LT Domestic
- LT & HT Commercial,
- LT & HT Industry
- Public Street Lighting
- Public Water Works
- Agriculture consumers.
- Bulk Consumers

LT Domestic category is the largest consumer category and comprises around 60% of the total sales of MSPDCL. The number of consumers in this category has increased rapidly in the recent years on account of the rural electrification schemes such as RGGVY, DDUGJY and Saubhagya scheme. The actual category-wise energy sales as compared to the energy sales approved by the Hon'ble Commission in ARR for FY 2024-25 is given in the Table below:

Table 1: Category-wise Energy Sales (MU) for FY 2023-24

S No.	Particulars	Approved T.O. FY 2023-24	Approved T.O. FY 2024-25	Actual FY 2023-24
A	LT Supply			
1	Kutir Jyoti	3.96	0.00	0.00
2	Domestic	607.40	509.88	519.93
3	Commercial LT	71.43	101.94	86.50
4	Public Lighting	5.73	3.88	3.9
5	PWW	1.38	10.10	4.86
6	Irrigation and Agriculture	1.23	0.00	0
7	Cottage and Small Industries	20.97	14.60	26.59
	Total LT	712.09	640.40	641.78
B.	HT Supply			
8	Commercial HT	24.89	35.92	28.74

9	PWW	28.97	45.42	33.77
10	Irrigation and Agriculture	1.00	0.82	0.84
11	Medium Industries	4.77	9.14	7.62
12	Large Industries	10.21	18.76	15.59
13	Bulk Supply	103.08	104.90	102.92
	Total HT	171.92	214.96	189.48
	Grand Total (LT & HT)	884.01	855.36	831.26

The actual energy sales by MSPDCL in FY 2023-24 is 831.26 MU. The Hon'ble Commission is requested to approve the consumption parameters as submitted in the above table as same is uncontrollable on the part of MSPDCL.

3.2. Energy Balance and Transmission & Distribution Loss

The computation of actual Transmission & Distribution losses for FY 2023-24 is shown in the Table below:

Table 2: Actual Transmission and Distribution Losses for FY 2023-24

S No	Particulars	Unit	Details
1	Own Generation	MU	0
2	Power purchase from CGS	MU	1122.46
3	Gross Energy handled at NER	MU	1122.46
4	Pool Losses	%	4.56%
5	Energy Losses at NER	MU	51.18
6	Net Energy available at NER after losses	MU	1017.14
7	Less: UI Under drawl	MU	26.81
8	Less: IEX sales	MU	135.45
9	Add: UI Over drawl	MU	16.97
10	Add: IEX purchases	MU	51.41
11	Add: Returned Banking Energy	MU	67.14
12	Less: Banking mode sales	MU	54.21
13	Gross Energy handled at State Periphery	MU	990.36
14	Total Sales (LT+HT)	MU	831.26
15	Transmission & Distribution Loss	MU	159.10
16	Total T&D Losses	%	16.10%

The actual T&D Losses of 16.10% achieved by MSPDCL in FY 2023-24 against the approved figure of 24.66% approved by Hon'ble Commission in its ARR order for FY 2023-24.

Table 3: Transmission and Distribution Losses for FY 2023-24

S No	Particulars	Approved T.O. FY 2023-24	Actual FY 2023-24
1	Transmission and Distribution Loss	24.66%	16.10%

It is submitted that energy availability for FY 2023-24 has been computed based on the actual Power purchase.

The quantum of T&D losses is primarily due to the higher LT line lengths and the hilly / complex terrain of Manipur State. The long LT distribution lines and distribution at 11 kV are leading to higher distribution losses in the state. In the recent past, due to various initiatives in rural

electrification, significant progress was made by MSPDCL in addition to the rural consumers. However, it is pertinent to note that the new consumer addition happened in most remote areas by extending the distribution network of MSPDCL. Due to smaller load and low consumption level, technical line losses would be quite high in those areas. MSPDCL is trying its best to serve them continuously and maintain these systems with its workforce efficiently. With the present state of complex terrain, long LT distribution lines, scatter LT domestic consumers, the actual LT distribution losses in Manipur are higher than the Commission approved distribution losses as given in its ARR order. Further, MSPDCL is in the process of expanding the coverage of prepaid meters to reduce unauthorized usage of electricity and the T&D losses. As the coverage of prepaid meters increased in the state in the future years, the T&D losses gradually improved. The same shall further improve in the future years as MSPDCL is in the process of implementation of 100% consumers under prepaid metering under RDSS scheme of Government of India. The RDSS scheme is under the process of implementation and MSPDCL requests the Commission to consider the above actual losses till such time the target of 100% pre paid metering is achieved.

Hence, MSPDCL requests the Hon'ble Commission to approve the actual T&D loss.

3.3. Energy Purchase

The actual Power Purchase cost as against the power purchase cost approved in the ARR /Tariff Order for FY 2023-24 is shown in the Table below:

Table 4: Energy Purchase for FY 2023-24 (MU)

S No.	Source	Approved T.O. FY 2023-24	Approved T.O. FY 2024-25	Actual (2023-24)
		Purchased (MU)	Purchased (MU)	Purchased (MU)
A	CGS – NEEPCO			
1	Kopili - I HE	63.52	7.24	20.96
2	Kopili - II HE	4.75	6.63	10.26
3	Khandong HE	10.87	0	0.00
4	Ranganandi HE Project	106.40	91.43	98.08
5	Doyang HE Project	12.41	12.55	12.55
6	Assam GBPP	129.85	146.25	138.84
7	Agartala GTPP I & II	71.43	66.8	55.40
B	CGS – NHPC			
1	Loktak HEP	143.85	30.52	53.12
2	Loktak Free power	60.91	20.23	34.65
C	Other			
1	Baramura GBPP Unit IV and V		0	0.00
2	OTPC Pallatana Unit I & II	306.42	328.04	313.95
D	New Plants			
1	NTPC Bongaigaon Unit I	241.87	349.6	347.77
2	NTPC Bongaigaon Unit II			
3	NTPC Bongaigaon Unit III			
4	Monarchak Gas Based PP (NEEPCO)			
5	Kameng HEP Stage I			
6	Kameng HEP Stage II			
7	Para HEP	39.79	33.89	36.88
8	Tuirial HEP			
9	Lower Subansiri Stage I	77.09		

10	Lower Subansiri Stage II			
11	Renewable – Solar			
12	Renewable – Non Solar			
	TOTAL	1269.16	1093.15	1122.46
13	IEX Purchase	50.35	63.5	51.41
14	UI Overdrawl	13.01	13.52	16.97
	Total	1323.52	1170.17	1190.84

The Hon'ble Commission is requested to approve the power purchase based on the actuals as shown in the table above.

3.4. Power Purchase Cost

The actual Power Purchase cost as against the power purchase cost approved in the ARR /Tariff Order for FY 2023-24 is shown in the Table below:

Table 5: Power Purchase Cost for FY 2023-24 (Rs. Crore)

S No.	Source	Approved in ARR Order 23-24		Approved in APR Order 24-25		Actual (2023-24)	
		Total Cost (Rs Cr)	Average rate (Rs/kWh)	Total Cost (Rs Cr)	Average rate (Rs/kWh)	Total Cost (Rs Cr)	Average rate (Rs/kWh)
A	CGS - NEEPCO						
1	Kopili - I HE	8.17	1.29	1.7	2.35	4.93	2.35
2	Kopili - II HE	0.83	1.75	1.64	2.47	2.49	2.43
3	Khandong HE	2.47	2.27	0	0.00	0.00	0.00
4	Ranganandi HE Project	26.11	2.36	24.95	2.62	29.94	3.05
5	Doyang HE Project	8.44	6.80	7.75	6.18	9.77	7.78
6	Assam GBPP	64.28	4.95	95.84	6.55	93.42	6.73
7	Agartala GTPP I & II	34.8	4.87	40.7	6.09	33.88	6.12
B	CGS - NHPC						
1	Loktak HEP	53.87	3.74	13.99	4.58	39.80	7.49
2	Loktak Free power	0	0.00	0	0.00		0.00
C	Other						
1	Baramura GBPP Unit IV and V			0	0.00	0.00	0.00
2	OTPC Pallatana Unit I & II	107.68	3.51	109.7	3.34	108.00	3.44
D	New Plants						
1	NTPC Bongaigaon Unit I	153.78	6.63	207.82	5.94	201.92	5.81
2	NTPC Bongaigaon Unit II						
3	NTPC Bongaigaon Unit III						

4	Monarchak Gas Based PP (NEEPCO)						
5	Kameng HEP Stage I						
6	Kameng HEP Stage II						
7	Para HEP	20.44	5.14	18.11	5.34	19.70	5.34
8	Tuiri HEP						
9	Lower Subansiri Stage I	38.54	5.00				
10	Lower Subansiri Stage II						
11	Renewable – Solar	19.25					
12	Renewable – Non Solar	0					
	TOTAL	537.65	4.27	521.2	4.77	543.85	4.85
	IEX Purchase	27.89	5.54	41.28	6.50	16.52	3.21
	UI Overdrawl	3.38	2.60	5.38	3.98	8.14	4.80
	Supplementary bills	40		19.82		22.76	
	Late Payment Surcharge					5.12	
	Total	568.92	4.30	587.68	5.02	596.39	5.01

As per the above table, the actual power purchase cost is Rs. 596.39 Crore for FY 2023-24. The actual cost is higher than the approved figure of Rs. 568.92 Crore in ARR of 2023-24.

The power purchase cost has increased mainly due to delay in commissioning of NHPC Subansiri project resulting in higher purchase from other sources like NTPC Bongaigaon to meet the demand. The Petitioner has also paid Rs.23.76 Crore of supplementary bills and Rs. 5.12 crore as late payment surcharge. The payment of these supplementary bills are uncontrollable on part of the Petitioner since the same is based on revisions in the tariff approved by CERC for different central generating stations.

Therefore, the Petitioner requests the Hon'ble Commission to approve the supplementary bills and late payment surcharge.

The Hon'ble Commission is requested to approve the power purchase cost as submitted in the above table as the same is uncontrollable and unavoidable on part of MSPDCL.

3.5. Transmission charges

The transmission charges include the charges paid to PGCIL, MSPCL and SLDC charges. The summary of transmission charges approved by the Commission in ARR order and the actual charges paid by MSPDCL for FY 2023-24 is as follows:

Table 6: Transmission Charges for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR order 23-24	Actual FY 23-24
1	PGCIL Charges	109.41	92.38	79.75
2	MSPCL Charges	52.56	0	74.00
3	SLDC Charges	N.A.	0	0.90
4	NERLDC Charges	0.71	0.71	1.82
	Total	162.68	93.09	156.47

The transmission charges are uncontrollable in nature as the same are levied based on approved cost and orders of CERC and JERC as applicable for inter-state and intra state transmission respectively.

As such, MSPDCL requests the Hon'ble Commission to approve the actual Transmission Charges of Rs 156.47. for FY 2023-24, as shown in the Table above.

3.6. Operation and Maintenance Expenses

The Operation and Maintenance (O&M) expenses comprises of Employee Expenses, Repair and Maintenance (R&M) Expenses and Administrative and General (A&G) Expenses. In the FY 2023-24, MSPDCL has incurred the O&M expenses as follows:

1. Employee Expenses

Employee Expenses includes the Basic Pay, Dearness Pay, Dearness allowances, house rent allowances, and other allowances, new pension scheme paid to the MSPDCL cadre, staff etc. The liabilities for terminal benefits for the employees transferred from the erstwhile Electricity Department of Manipur are directly borne by the State Government and are not included in the employee cost claimed here.

The actual employee expenses based on audited accounts for FY 2023-24 as compared with those approval in the Tariff Order are shown in the Table below:

Table 7: Employee Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in ARR order 23-24	Approved in APR order 23-24	Actual FY 23-24
Total Employee Expenses	79.23	101.57	74.04

MSPDCL, thus, requests the Hon'ble Commission to approve the actual Employee Expenses of Rs. 74.04 Crore for FY 2023-24.

2. R&M Expenses

Repair and Maintenance (R&M) Expenses includes all expenditure incurred on the maintenance and upkeep of distribution assets. It includes the expenses on repairs and maintenance of Plant and Machinery, Transformers, Lines, cable network, Vehicles, Office equipment, etc. MSPDCL has an ageing asset base as it faces financial constraint for investing in upgradation and modernization of the network. As such, MSPDCL needs to ensure proper maintenance and upkeep of the electrical network to maintain the reliability and quality of power supply to the consumers in the state. The actual R&M expenses based on audited accounts for FY 2023-24 are given below as per the different accounting heads used for booking R&M expenses:

Table 8: Break-up of R&M Expenses for FY 2023-24 (Rs. Crore)

S No	Particulars	Actual
1	Repair & Maintenance Expenses (Plant and Machinery)	1.78
2	Repair & Maintenance Expenses (Others)	0.46
3	O&M Expenses	13.58
4	Stores and Consumables	1.53
	Total	17.30

The actual R&M expenses as compared as compared to the approved expenses are as follows:

Table 9: R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in ARR order 23-24	Approved in APR order 23-24	Actual FY 23-24
R&M Expenses	12.45	13.93	17.30

The actual R&M expenses are higher than the approved values by the Hon'ble Commission for FY 2023-24. The R&M expenses approved by Hon'ble Commission in the ARR order of FY 2023-24 has been around 1% of the approved GFA. The reason of this is that the R&M expenses are projected on low baseline. However, the actual R&M expenses are around 1.5% of the asset base. The Petitioner submits that, R&M expenses are uncontrollable in nature as the distribution utility is required to spend on maintenance of network to comply with the Standards of Performance laid by the Commission.

Hence, in the above context, MSPDCL therefore, requests the Hon'ble Commission to approve the actual R&M expenses of Rs. 17.30 Crore for FY 2023-24.

3. A&G Expenses

Administrative and General (A&G) Expenses includes all expenditure incurred in operating a business such as:

- ✓ Travel and conveyance expenses
- ✓ Consultancy and regulatory fees
- ✓ IT services and outsourcing cost
- ✓ Office Expenses
- ✓ Publication Expenses
- ✓ Other administration Expenses
- ✓ Telephone
- ✓ Hiring of vehicle etc.

The A&G expenses incurred by MSPDCL in FY 2023-24 based on audited accounts are as follows:

Table 10: A&G Expenses for FY 2023-24 (Rs. lakh)

Particulars	Amount (in lakhs)
Auditors Remuneration	2.48
ROC Filing Fees	0.39
Advertisement Expenses	34.62
Bank Charges	4.94
BEE charges	121.75
Consultancy Charges	45.09
Director Remuneration	0.04
Ex-gratia payment	15.80
JERC Fees and Expenses	38.82
Office Expenses	14.54
Legal Fees and Charges	10.83
Festival Expenses	450.58
Printing & Stationary Expenses	12.28
Prepaid Vending Charges	353.88
Telephone Expenses	12.94
Travelling Exp	13.99
Vehicle hiring, Repairs and Maintenance	45.16
Financing Cost	0.40
Deposit Work Expenses	244.40
Total	1413

The actual A&G expenses as compared to the approved figure in ARR of FY 2023-24 is as follows:

Table 11: A&G Expenses for FY 2023-24 (Rs. Crore)

Particulars	Approved in ARR order 23-24	Approved in APR order 23-24	Actual
A&G Expenses	8.95	7.89	14.13

MSPDCL requests the Hon'ble Commission to approve the actual A&G expenses of Rs. 14.13 Crore based on the audited accounts for FY 2023-24 and based on the detailed break-up of the actual cost as provided above.

Table : A&G Expenses for FY 2022-23 (Rs. lakh)

Particulars	Amount (in lakhs)
Auditors Remuneration	1
ROC Filing Fees	4
Advertisement Expenses	3
Bank Charges	5
BEE charges	83
Consultancy Charges	82
Ex-gratia payment	27
JERC Fees and Expenses	38
Office Expenses	53

O&M Expenses	40
Legal Fees and Charges	7
Festival	50
Saubhagya Post Capitalisation Exp	237
Printing & Stationary Expenses	7
Prepaid Vending Charges	17
Telephone Expenses	9
Travelling Exp	17
Vehicle hiring, Repairs and Maintenance	68
Interest and Penalty	1
Purchase of LED lights	-
Preliminary Expenses Written Off	-
Prior period expenses	38.97
Total	746

On comparison with FY 2022-23, we see that the increase in A&G costs is mainly due to increase in prepaid vending charges. These costs have been incurred to keep employee morale high in light of the turbulent situation in Manipur in the recent past.

The total O&M expenses incurred in FY 2023-24 as per audited accounts are shown in the Table below:

Table 12: Actual O&M Expenses for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR order 23-24	Actual FY 23-24
1	Employee Expenses	79.23	101.57	74.04
2	A&G Expenses	8.95	7.89	14.13
3	R&M Expenses	12.45	13.93	17.30
	Total	100.62	124.39	105.46

MSPDCL requests the Hon'ble Commission to approve the actual O&M expenses of Rs. 105.46 Crore for FY 2023-24.

3.7. Interest on Working Capital

As per Regulation 29.4 of JERC Terms and Conditions of Tariff Regulations 2014, Distribution Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- Operation and maintenance expenses for one month; plus
- Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
- Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs; minus
- Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees;

Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

The computation of normative Interest on Working Capital (IoWC) for MSPDCL for FY 2023-24, is shown in the Table below:

Table 13: Interest on Working Capital for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR Order 23-24	Actual (2023-24)
1	O & M Expenses one month			8.79
2	Maintenance of spares @ 1% of GFA Escalated by 6%			26.38
3	Receivable one month			52.94
4	Less: Total Security Deposit			29.75
5	Net WC requirement			58.36
6	Interest Rate			12.90%
	Interest of Working Capital	0.00	0.00	7.53

MSPDCL requests the Hon'ble Commission to approve the IoWC of Rs.7.53 Crore for FY 2023-24.

3.8. Gross Fixed Assets and Depreciation

The depreciation for FY 2023-24 has been claimed as per the audited accounts.

Table 14: Actual Depreciation for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR Order 23-24	Actual (2023-24)
1	Depreciation	2.65	2.65	57.41

The detailed break up of actual depreciation booked in accounts is shown below:

Table 15: Depreciation for FY 2023-24 (Rs. Lakh)

Particulars	Gross Block				Accumulated Depreciation			
	Opening Balance	Additions	Disposals/Reversal	Closing Balance	Opening Balance	Charged during the period	Additional	Closing Balance
Tangible Assets								
Distribution Assets								
Plant & Machinery	242,277.55	10.97		242,288.52	27,264.03	1,962.18	3,184.89	32,411.10
Building	6,935.91	348.57	4.59	7,279.89	468.69	110.92		579.61
Furniture & fittings	139.76	1.00		140.76	96.98	12.47		109.45
Computer	977.49	0.23		977.71	679.51	4.42	251.82	926.75
Heavy Equipments	5.48			5.48				
Heavy Vehicle	87.98			87.98	38.28	4.79		43.07
Office Equipments	4.02			4.02	4.02			4.02

Vehicle	585.89	13.35		599.25	452.52	58.70		511.23
Land	35.36			35.36				
Software	1,546.53	8.72		1,555.26	1,515.07	14.54		1,529.61
Generation Assets								
Plant & Machinery	4,926.08			4,926.08	1,226.16	126.33		1,350.49
Building	1,347.89			1,347.89	215.96	20.80		246.76
Furniture & fittings	2.82			2.82	2.82			2.82
Computer	0.10			0.10	0.10			0.10
Office Equipments	4.79			4.79	4.79			4.79
Vehicle	3.14			3.14	2.77			2.77
Total	258,879.78	382.83	4.59	259,268.02	31,970.70	2,314.16	3,426.71	37,711.56

In the above table, the depreciation charged on the assets booked as capital reserve / equity is Rs. 57.41 Crore.

MSPDCL capitalized assets worth 1718 crore in FY 22-3 which were under Capital Works in Progress based on completion. As a result asset base increased significantly since then resulting in corresponding increase in depreciation Hence depreciation claimed is increased,

Also, the assets transferred to MSPDCL at the time of restructuring of erstwhile EDM are not booked as grants but as capital reserve/ equity. As such, the depreciation should be allowed on the entire assets transferred from the erstwhile EDM into the corporate entity of MSPDCL.

MSPDCL requests the Hon'ble Commission to approve the depreciation of Rs. 57.41 Crore for FY 2023-24.

3.9. Interest on Loan

The major part of capital expenditure undertaken by MSPDCL is funded by the State Government's grants and Central Government's grant. However, in addition to these sources of funds, MSPDCL has also taken some amount of loan for meeting counterpart funding as per Gol scheme guidelines. The repayment of loans during the year has been considered as per principal repayment made, and the repayment has been considered proportionately based on the opening loan balance.

The details of loans with the computation of Interest on loan are shown in the Table below:

Table 16: Break-up of Loan for FY 2023-24 (Rs. Crore)

S No.	Particulars	SLTTL	LPS	Other Loans
1	Opening Loan	111.48	107.52	
2	Addition during the Year	0.00	53.81	
3	Repayment during the year	6.81	9.41	
4	Closing Loan	104.66	151.92	11.47
5	Average Loan			
6	Rate of Interest	9.50	9.75	9.50
7	Interest & Finance Charges	10.59	17.75	1.09

Table 17: Interest on Loan for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR order 23-24	Actual FY 23-24
1	Interest & Finance Charges	5.23	5.23	29.43

MSPDCL requests the Hon'ble Commission to kindly approve the interest on loan of Rs. 29.43 Crore for FY 2023-24.

3.10. Return on Equity

As per audited accounts, the RoE is computed on paid up capital of Rs. 10.05 Crore at the rate of 15.50% as stated in clause 26.1 of JERC (Multi Year Tariff) regulations 2014

Table 18: Return on Equity for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR order 23-24	Actual FY 23-24
1	Average Equity	10.05	10.05	10.05
2	RoE %	15.50%	15.50%	15.50%
3	Return on Equity	1.56	1.56	1.56
4	MAT Rate applicable	0.00%	0.00%	0.00%
	Net RoE (Grossed up by MAT rate)	1.56	1.56	1.56

MSPDCL requests the Hon'ble Commission to approve the Return on Equity of Rs.1.56 Crore for FY 2023-24.

3.11. Non-tariff Income

Table 19: Break-up of Non-tariff Income for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 23-24	Approved in APR Order 23-24	Actual (2023-24)
1	Interest Income			8.46
2	Agency Charges @ 3.75%			0.24
3	Amortization of deferred income			34.27
4	Incentive from Ministry of Power			0.87
5	Others			1.63
	Total	7.14	10.24	45.45

MSPDCL requests the Hon'ble Commission to approve the actual Non-Tariff Income of Rs. 45.45 crore for FY 2023-24.

3.12. Aggregate Revenue Requirement

Based on the above component-wise expenses, the Aggregate Revenue Requirement computed for FY 2023-24 by MSPDCL against the figures approved by the Commission in the Tariff Order for FY 2023-24, is given in the Table below:

Table 20: Aggregate Revenue Requirement for FY 2023-24 (Rs. Crore)

S No.	Particulars	Approved T.O. FY 2023-24 (A)	Approved T.O. FY 2024-25 (B)	Actual FY 2023-24 (C)	Gap =(C-A)
A	Cost of power purchase	568.92	626.59	596.38	27.46
B	Transmission charges	162.68	93.09	156.47	-6.21
C	O&M Expenses	100.62	124.39	105.46	4.84
1	Employee Expenses	79.23	101.57	74.04	-5.18
2	A&G Expenses	8.95	7.89	14.13	5.18
3	R&M Expenses	12.45	13.93	17.30	4.85
D	Depreciation	2.65	2.65	57.41	54.76
E	Interest on Loan	5.23	5.23	29.43	24.21
F	Interest on Working Capital	0.00	0.00	7.53	7.53
G	Bad Debt	0.00	0.00	0.00	0.00
H	Total Cost	840.09	850.94	952.68	112.59
I	Add: RoE	1.56	1.56	1.56	0.00
J	Add: Income Tax	0.00	0.00	0.00	0.00
K	Total	841.65	852.50	954.25	112.59
L	Less: Non Tariff Income	7.14	10.24	45.45	38.31
M	Less: Efficiency Gains	0.00	0.00	0.00	
N	Less: True up Surplus	46.50	46.50	0.00	
O	Aggregate Revenue Requirement (ARR)	788.01	795.77	908.79	120.78
P	Revenue from sale of surplus power	63.88	38.02	84.71	20.83
Q	Net ARR	725.13	757.75	824.08	98.95
R	Govt. Subsidy	166.87	166.87	293.02	126.15
S	Net after subsidy	557.26	590.88	531.05	-26.20
T	Energy Sale within the state at exist tariff	557.26	568.25	505.53	-51.73
U	Gap	0.00	23.64	25.52	25.52

The revenue from sale of power to consumers for FY 2023-24 was Rs.557.26 Crore as approved by Hon'ble Commission in its ARR order for FY 2023-24. The actual revenue from sale of power to consumers in FY 2023-24 is Rs. 505.53 Crore as per audited accounts.

MSPDCL requests the Hon'ble Commission to approve the same.

Chapter 4: Annual Performance Review of FY 2024-25

The Petitioner humbly submits that the present APR is based on actual provisional expenses of FY 2024-25 from first six-month data available for FY 2024-25. The comparison of the projected expenses and revenue has been made with the expenses and revenue considered by Hon'ble Commission in the ARR of FY 2024-25 as approved in the JERC tariff Order in Petition (ARR & Tariff) No.3 of 2024, dated 14.06.2024 (henceforth referred as 'Approved' order with reference to FY 2024-25). However, the Petitioner requests Hon'ble Commission to review the expenses and revenue for FY 2024-25 based on the trend observed as per actual data.

4.1. Energy Sales

MSPDCL caters to a diverse consumer mix comprising of:

- Kutir Jyoti and LT Domestic
- LT & HT Commercial,
- LT & HT Industry
- Public Street Lighting
- Public Water Works
- Agriculture consumers.
- Bulk Consumers

LT Domestic category is the largest consumer category and comprises around 60% of the total sales of MSPDCL. The number of consumers in this category has increased rapidly in the recent years on account of the rural electrification schemes such as RGGVY, DDUGJY and Saubhagya scheme. The sales as projected for the whole year; actual category-wise energy sales for six months as compared to the energy sales approved by the Hon'ble Commission for FY 2024-25 is given in the Table below:

Table 26: Category-wise Energy Sales (MU)

S No.	Particulars	Approved in ARR Order 24-25	Six months actuals	Revised Projections (B)
A	LT Supply			
1	Domestic	530.97	225.11	521.22
2	Commercial LT	112.13	48.23	86.46
3	Cottage and Small Industries	14.75	15.12	30.24
4	Public Lighting	3.92	1.02	2.04
5	PWW	11.11	2.13	4.26
6	Irrigation and Agriculture	0	0.00	0.00
	Total LT	672.88	291.61	644.22
B.	HT Supply			

7	Commercial HT	39.51	12.7	25.40
8	PWW	49.96	1.21	40.92
9	Irrigation and Agriculture	0.82	7.03	0.30
10	Medium Industries	9.23	75.92	2.42
11	Large Industries	20.64	20.46	14.06
12	Bulk Supply	104.90	0.15	75.92
	Total HT	225.06	117.47	159.02
	Grand Total (LT & HT)	897.94	409.08	803.24

MSPDCL requests the Commission to approve the revised sales projections for FY 2024-25 as it is uncontrollable on part of MSPDCL.

4.2. Energy Balance and Transmission & Distribution Loss

The computation of revised Transmission & Distribution losses for FY 2024-25 is shown in the Table below:

Table 26: Estimated Transmission and Distribution Losses for 2024-25

S No	Particulars	Unit	Details
1	Own Generation	MU	0.00
2	Power purchase from CGS	MU	1044.32
3	Add: UI Over drawl	MU	6.93
4	Add: IEX purchases	MU	125.00
5	Add: Returned Banking Energy	MU	54.21
6	Less: IEX sales	MU	163.42
7	Less: Banking mode sales	MU	54.21
8	Gross Energy handled at NER	MU	1012.84
9	Pool Losses	%	3.50%
10	Energy Losses at NER	MU	35.45
11	Net Energy available at NER after losses	MU	977.39
12	Less: UI Under drawl	MU	26.81
13	Gross Energy handled at State Periphery	MU	950.58
14	Total Sales (LT+HT)	MU	803.24
15	Transmission and Distribution loss	MU	147.34
16	Transmission and Distribution loss	%	15.5%

The projected T&D Losses of 15.5% is expected to be achieved by MSPDCL in FY 2024-25. The NER inter-state transmission losses has been taken as 3.5% based on the average of the actual losses reported by NERLDC for the current year.

Because of the law and order situation of the state in the current year, system strengthening works like augmentation of LT lines, replacement of DTRs, replacement of naked line with AB Cables and conversion from conventional meter to prepaid meter has been delayed. T&D loss reduction has become challenging. It is also challenging to get timely payments from consumers in affected areas. Still, MSDCL has projected a slight reduction from 16.1% in FY 23-24 to 15.5% in FY 24-25.

It is submitted that energy availability for FY 2024-25 has been computed based on the actual Power purchase from April to September 2024 and previous year's pattern. Further, the transmission licensee, MSPCL operates the 33 kV network which is the input point of the distribution network. It may be noted that MSPDCL network periphery included only 11KV system and below whereas 33 KV and above transmission network falls under the MSPCL network. Therefore, segregating the MSPDCL distribution losses and MSPCL network losses, in absence of proper metering arrangements is not possible. In absence of an accurate figure of losses for 33 kV and above network, the Commission had calculated the losses without subtracting the intra state transmission losses.

The above mentioned quantum of distribution losses is primarily due to the higher LT line lengths and the hilly / complex terrain of Manipur State. The long LT distribution lines and distribution at 11 kV are leading to higher distribution losses in the state. In the recent past, due to various initiatives in rural electrification, significant progress was made by MSPDCL in addition to the rural consumers. However, it is pertinent to note that the new consumer addition happened in most remote areas by extending the distribution network of MSPDCL. Due to smaller load and low consumption level, technical line losses would be quite high in those areas. MSPDCL is trying its best to serve them continuously and maintain these systems with its workforce efficiently. With the present state of complex terrain, long LT distribution lines, scatter LT domestic consumers, the actual LT distribution losses in Manipur are higher than the Commission approved distribution losses as given in its ARR order. Further, MSPDCL is in the process of expanding the coverage of prepaid meters to reduce unauthorized usage of electricity and the T&D losses. As the coverage of prepaid meters has increased in the state in the recent past, the T&D losses has gradually improved.

Table 27: Net Surplus Energy for FY 24-25

SI No	Particulars	Unit	FY 2024-25
1	Energy Sales	MU	803.24
2	T&D Loss	%	15.50%
3	T&D Loss	MU	159.10
4	Energy Requirement at T&D Boundary (1+3)	MU	950.58
5	Total Energy Available from Long Term Sources	MU	1044.32
6	Net Surplus Energy Surplus/Deficit for Short Term Sale/Purchase	MU	93.74

Based on the projected sales to consumers, projected transmission and distribution loss, projected power purchase, the energy balance is calculated and the surplus power available for banking / surplus sale is calculated and MSPDCL request the Hon. Commission to approve the same.

4.3. Energy Purchase

MSPDCL receives allocated power from various Central Generating Stations in North Eastern Region, viz., NEEPCO, NHPC, OTPC- Palatana, and NTPC Bongaigaon for power purchase under long term PPAs. The proposed power purchase for FY 2024-25 has been projected based on the annual allocation of different power projects.

However, the actual power purchase quantum is likely to vary based on the energy availability, hydrology, operational conditions of the plants etc. While estimating the power purchase for FY 2024-25, actual power purchase during the first six months is considered along with the pattern of availability of plants in next six months.

Power purchase from Loktak HEP is projected to be lower this year compared to previous years due to low rainfall. Hence power purchase rate from Loktak will be higher due to lower number of units produced. OTPC Palatana is facing reduced gas supply due to reasons beyond the control of their supplier and hence have to purchase gas from alternate sources at higher charges. Hence they have increased our tariff as well.

The short term power purchase quantum from IEX/UI and banking has also been projected based on the half yearly data and past year trends.

MSPDCL has projected to purchase RECs to meet the gap in compliance of the RPO obligation set by JERC. MSPDCL in FY 24-25 has a total RPO obligation of 29.91% (1.08% from new hydro, 2.46% from wind, 26.37% from other renewables and 1% from energy storage). As against this, the actual RPO purchase is only to the extent of 3.18% all hydro new sources of Pare. To meet the total deficit from other sources equivalent to 222 Mus, MSPDCL has projected to buy RECs based on the declining trend of RECs in the present market and the existing rate of INR 0.2/kWh has been assumed to meet this cost. The energy from RECs has not been shown in the total availability.

The revised energy purchase for FY 2024-25 is proposed in the Table below:

Table 28: Power Purchase Cost and Quantum for APR FY 2024-25

S No.	Source	Approved in ARR Order 24-25			Revised Projections		
		Purchased (MU)	Total Cost (Rs Cr)	Average rate (Rs/kWh)	Purchased (MU)	Total Cost (Rs Cr)	Average rate (Rs/kWh)
A	CGS - NEEPCO	336.32	178.33	5.30			
1	Kopili - I HE	7.23	1.75	2.42	31.14	7.69	2.47
2	Kopili - II HE	6.63	1.69	2.55	8.76	2.23	2.55
3	Khandong HE	5.54	0.82	1.51	0.00	0.00	-
4	Ranganandi HE Project	91.43	24.66	2.70	74.39	23.84	3.21
5	Doyang HE Project	12.55	8.77	6.99	17.00	13.24	7.78
6	Assam GBPP	146.24	98.72	6.75	134.45	89.55	6.66
7	Agartala GTPP I & II	66.80	41.92	6.28	52.39	33.64	6.42
B	CGS - NHPC	50.74	14.41	2.84			
1	Loktak HEP	30.52	14.41	2.84	76.56	32.16	4.20
2	Loktak Free power	20.22			50.71	0.00	-
C	Other	328.04	112.99	3.44			
1	Baramura GBPP Unit IV and V	0.00	0.00	0.00			
2	OTPC Pallatana Unit I & II	328.04	112.99	3.44	250.13	95.05	3.80
D	New Plants	383.49	232.71	6.07			

1	NTPC Bongaigaon Unit I						
2	NTPC Bongaigaon Unit II	349.60	214.05	6.12	322.77	192.05	5.95
3	NTPC Bongaigaon Unit III						
4	Monarchak Gas Based PP (NEEPCO)						
5	Kameng HEP Stage I						
6	Kameng HEP Stage II						
7	Pare HEP	33.89	18.65	5.50	26.01	13.89	5.34
8	Tuirial HEP						
9	Lower Subansiri Stage I						
10	Lower Subansiri Stage II						
11	Renewable – Solar (REC)				222.27	4.45	0.20
12	Renewable – Non Solar						
	TOTAL						
13	IEX Purchase	65.00	30.13	4.635	125.00	56.25	4.50
14	UI Overdrawal	13.52	5.38	3.979	6.93	3.80	5.48
15	Supplementary bills					24.75	
16	Late Payment Surcharge					7.50	
	Total	1058.66	641.07	6.06	1176.25	600.09	5.10

MSPDCL, therefore, requests the Hon'ble Commission to approve the revised power purchase costs for FY 2024-25.

4.4. Transmission charges

The transmission charges include the charges paid to PGCIL, MSPCL and SLDC charges. The summary of transmission charges approved by the Commission in ARR order and the revised projections for FY 2024-25 is as follows:

Table 29: Transmission charges for APR FY 2024-25

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
1	PGCIL Charges	97.00	92.38
2	MSPCL Charges	112.06	89.34
3	SLDC Charges	0.78	0.9
4	NERLDC Charges	0.71	1.82
	Total	210.53	184.4

The transmission charges are uncontrollable in nature as the same are levied based on approved cost and orders of CERC and JERC as applicable for inter-state and intra state transmission respectively. MSPDCL requests the Commission to consider MSPCL charges in the ARR of MSPDCL as the transmission charges are borne by the distribution licensee as a beneficiary of the transmission system. MSPDCL is also paying the transmission company (i.e. MSPCL) regularly to meet the ARR of MSPCL and as such, the same should be considered in the ARR of MSPDCL.

As such, MSPDCL requests the Hon'ble Commission to approve the Revised transmission cost.

4.5. Operation and Maintenance Expenses

The Operation and Maintenance (O&M) expenses comprises of Employee Expenses, Repair and Maintenance (R&M) Expenses and Administrative and General (A&G) Expenses. In the FY 2024-25 based on six months data and full year data of past years till FY 23-24. In this context, it is submitted that the actual O&M expenditure increases in the later half of the year especially for R&M and A&G expenses based on increased funds availability and release of subsidy from the State Government. Employee expenses are expected to increase as well due to promotions. The revised projection of the O&M expenses as follows:

Table 30: O&M Expenses for APR FY 2023-24

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
1	Employee Expenses	107.37	78.00
2	A&G Expenses	8.34	16.44
3	R&M Expenses	14.73	16.14
	Total	130.44	110.58

Accordingly, MSPDCL submits Hon'ble Commission to approve the proposed O&M costs of Rs. 96.55 Crore for FY 2024-25.

4.6. Interest on Working Capital

As per Regulation 29.4 of JERC Terms and Conditions of Tariff Regulations 2014, Distribution Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- (a) Operation and maintenance expenses for one month; plus
- (b) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
- (c) Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs; minus
- (d) Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees;

Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

Levy of Interest on Working capital becomes essential as many of our HT bulk consumers and large industries constituting more than 20% of sales in units as well as charges have postpaid meters and the discom has to wait for at least 1-2 months for collection from them.

The computation of normative Interest on Working Capital (IoWC) as per Regulation 29.4 of JERC Terms and Conditions of Tariff Regulations 2014 for MSPDCL for FY 2024-25, is shown in the Table below:

Table 31: IoWC for APR FY 2024-25

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
1	O & M Expenses one month	Disallowed	9.22
2	Maintenance, spares @ 1% of GFA Escalated by 6%		27.47
3	Receivable one month		47.84
4	Less: Total Security Deposit		29.75
5	Net WC requirement		54.77
6	Interest Rate		12.90%
	Interest of Working Capital		7.07

MSPDCL requests the Hon'ble Commission to approve the IoWC of Rs 7.07 Crore for FY 2024-25.

4.7. Gross Fixed Assets and Depreciation

The depreciation on the GFA is calculated as per the JERC (MYT) Regulations 2014.

The assets transferred to MSPDCL at the time of restructuring of erstwhile EDM are not booked as grants but as capital reserve/ equity. As such, the depreciation should be allowed on the entire assets transferred from the erstwhile EDM into the corporate entity of MSPDCL. This is also reflected in the audited annual statements of MSPDCL.

For calculating the GFA, the figures of the last year have been used. On the basis of the projected GFA, the additional depreciation has been calculated. The additional depreciation is on the new assets added to the GFA on the capital investment schemes mentioned below:

S No	Capex	2024-25
1	RDSS Scheme of Government of India (Distribution System Improvement)	61.96
2	Development of Sub Stations (SS- II)	37.80
	TOTAL	99.76

The depreciation rate on the assets has been taken as per the actual average depreciation rate booked as per the accounts.

The depreciation for FY2024-25 is shown as below:

Table 32: Depreciation for APR FY 2024-25

S No.	Particulars	Revised Projections
1	Opening GFA	2491.66
2	Addition during the Year	99.76
3	Closing GFA	2591.42
4	Average GFA	2541.54
5	Average Rate of Depreciation	2.39%
6	Depreciation	60.66

Table 33: Depreciation for APR FY 2024-25

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
1	Depreciation	20.92	60.66

4.8. Interest on Loan

The major part of capital expenditure undertaken by MSPDCL is funded by the Central / State Government's grants and consumer contribution. However, in addition to these sources of funds, MSPDCL has also taken some loans for other capex projects to meet the total capital investment required for system strengthening and improvement. The repayment of loans and the interest rates during the year has been considered as per actual terms and conditions of the loans.

The details of loans with the computation of Interest on loan are shown in the Table below:

Table 34: Loan details for APR FY 2024-25

S No.	Particulars	Installation of 130W LED Lights & 20m High Mast Lighting-Loan	Prepaid Meter Loan Valley (16113)	Prepaid Meter Loan for Hills (16114)	SLTTL	LPS
1	Opening Loan	15.60	82.60	69.70	104.60	151.90
2	Addition during the Year	0.00	0.00	1.50		
3	Repayment during the year	0.00	1.30	0.00	6.80	9.40
4	Closing Loan	15.60	81.30	71.20	97.85	142.50
5	Average Loan	15.60	81.95	70.45		
6	Rate of Interest	10.62%	10.71%	10.84%	9.50%	9.75%
7	Interest & Finance Charges	1.66	8.78	7.64	10.59	17.75

MSPDCL requests the Hon'ble Commission to approve the Interest on Loans of Rs 46.41 Crore for FY 2024-25 based on the actual loans and also reflected in the audited annual account statements.

For the loan taken for street lighting and high mast lighting, it is submitted that the same may be considered by the Commission as the loan has already been taken and the interest is also being paid for the same. MSPDCL shall make sure in future to comply with the directive of the Commission for not undertaking such works, unless specifically approved by the Commission. However, since this work has already been undertaken and is serving the consumers of the state, the Hon'ble Commission is requested to kindly allow the expense.

4.9. Return on Equity

As per audited accounts, the RoE is computed on average paid up capital of Rs. 50.05 Crore at the rate of 15.50% as stated in clause 26.1 of JERC (Multi Year Tariff) regulations 2014. Opening equity is 10.05cr and as per proposal received from state government, there will be addition of paid up capital of amount Rs 90 cr in the second half of the year.

Table 35: RoE for APR FY 2024-25

S No.	Particulars	Approved in ARR Order 24-25	Revised projections
1	Average Equity	10.05	50.05
2	RoE %	15.50%	15.50%
3	Return on Equity	1.56	7.76
4	MAT Rate applicable	0.00%	0.00%
	Net RoE (Grossed up by MAT rate)	1.56	7.76

MSPDCL requests the Hon'ble Commission to approve the Return on Equity of Rs.7.76 Crore for FY 2024-25

4.10. Non-tariff Income

The actual non-tariff income as compared to the approved figure in ARR of FY 2024-25 is as follows:

Table 37: NTI for APR FY 2024-25

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
1	Non-tariff Income	10.84	39.00

MSPDCL requests the Hon'ble Commission to approve the actual Non-Tariff Income of Rs. 39 Crore for FY 2024-25 based on the actual income till September'24.

4.11. Aggregate Revenue Requirement

Based on the above component-wise expenses, the Aggregate Revenue Requirement computed for FY 2024-25 by MSPDCL against the figures approved by the Commission in the Tariff Order for FY 2024-25, is given in the Table below. We humbly request the commission to reconsider stand on true up surplus as we have incurred a loss as per actual audited financial statements and we have not earned any surplus. In such a scenario, charging a true up surplus would exert great financial burden on us.

Table 38: Aggregate Revenue Requirement for APR of FY2024-25 (Rs. Crore)

S No.	Particulars	Approved in ARR Order 24-25	Revised Projections
A	Cost of power purchase	641.07	600.09
B	Transmission charges	187.938	184.44
C	O&M Expenses	130.44	110.58
1	Employee Expenses	107.37	78.00
2	A&G Expenses	8.34	16.44
3	R&M Expenses	14.73	16.14
D	Depreciation	20.92	60.66
E	Interest on Loan	55.07	46.41
F	Interest on Working Capital	7.87	7.07
G	Bad Debt	0.00	0.00
H	Total Cost	1043.30	1009.24
I	Add: RoE	1.56	7.76
J	Add: Income Tax	0.00	0.00
K	Total	1044.86	1017.00
L	Less: Non Tarif Income	10.85	39.00
M	Less: True up surplus of 7 years	46.50	0.00
N	Aggregate Revenue Requirement (ARR)	987.51	978.00
O	Revenue from sale of surplus power	40.38	52.29
P	Net ARR	947.13	925.71

4.12. Revenue Gap

The Projected Revenue Gap of MSPDCL for FY 2024-25 is shown in the Table below:

Table 39: Estimated Revenue Gap for APR of FY2024-25 (Rs. Crore)

S No.	Particulars	Revised projections
1	Net ARR after considering outside sale income	925.71
2	Total Revenue from consumer tariff at existing rates	574.08
3	Revenue Gap before Govt. Subsidy (1-2)	351.63
4	State Government Revenue Subsidy required	351.63

As can be seen from the above Table, the Revenue Gap in APR of FY 2024-25 is expected to be met by State Government subsidy. However, in case there is any gap in the actual subsidy received, MSPDCL shall adjust the same in the truing-up in the next tariff filing.

Chapter 5: ARR of FY 2025-26

5.1. Preamble

- 1.1.1. The ARR petition has been filed in accordance with Joint Electricity Regulatory Commission for Manipur and Mizoram (Multi Year Tariff) Regulations, 2014 applicable from 1st April 2015.
- 1.1.2. MSPDCL is submitting its ARR and Tariff Petition for determination of Tariff and ARR for FY 2025-26 broadly on the basis of the principles outlined in MYT Tariff Regulations notified by JERC and as adopted by MnERC. MSPDCL has considered the past trends and taken cognizance of other internal and external developments to estimate the likely performance for FY 2025-26.
- 1.1.3. The following sections explain in detail the basis and forecasts of the following elements for FY 2025-26:
 1. Category wise Energy Sales & Revenues at the existing tariff
 2. T&D Losses and Energy Requirement
 3. Determination of Aggregate Revenue Requirement by forecasting the following costs, other income & returns (including but not limited to):
 - Power Purchase Cost
 - Employee Cost
 - Repairs & Maintenance Cost
 - Admin & General Cost
 - Capital Investment Plan
 - Interest Cost
 - Depreciation
 - Return on Equity
 - Non-Tariff Income

5.2. Energy Sales

As per section 88.1 of MYT regulations 2014; The Distribution Licensee shall submit a forecast of the expected sales of electricity to each tariff category/sub-category and to each tariff slab within such tariff category/sub-category to the Commission for approval along with the Business Plan, as specified in these Regulations.

Also, as per section 88.3 of MYT regulations 2014; The sales forecast shall be consistent with the load forecast prepared as part of the long-term power procurement plan submitted as a part of Business Plan and shall be based on past data and reasonable assumptions regarding the future.

5.3. Approach for Sales

It has been observed from past experience that the historical trend method has proved to be a reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption. In light of the above, MSPDCL has estimated the above for various customer categories primarily based on the CAGR trends during past years. Wherever the trend has seemed unreasonable or unsustainable, the growth factors have been corrected by the company, to arrive at more realistic projections.

5.4. Summary for growth and projections

The growth rates observed in the energy sold to each consumer category has been analysed for the purpose of sales projections. The analysis of the growth rate helps us understand the behavior of each category and hence forms the basis of forecasting the sales for each category.

5.5. Category-wise energy sold

The Break-up of the sales and the Compounded Annual Growth Rate (CAGR) for different periods (2 year and year on year) thereof are as follows.

Table 40: Actual category-wise Energy Sales (MU)

S No.	Particulars	2021-22	2022-23	2023-24	2024-25 (Estimated))
A.	LT Supply				
1	Kutir Jyoti	4.36	0.00	0	0.00
2	Domestic	523.6	519.37	519.93	521.22
3	Commercial LT	65.94	101.26	86.5	86.46
4	Public Lighting	4.12	16.90	3.9	2.04
5	PWW	1.37	4.04	4.86	4.26
6	Irrigation and Agriculture	1.23	3.56	0	0
(i)	Agriculture				
(ii)	Irrigation (Others)				
7	Cottage and Small Industries	20.77	25.80	26.59	30.24
	Total LT	621.39	670.93	641.78	644.22
B.	HT Supply				
8	Commercial HT	21.31	32.79	28.74	25.40
9	PWW	25.59	78.45	33.77	40.92
10	Irrigation and Agriculture	0.79	2.31	0.84	0.30
(i)	Agriculture				
(ii)	Irrigation (Others)				
11	Medium Industries	4.18	6.38	7.62	2.42
12	Large Industries	8.69	12.62	15.59	14.06
13	Bulk Supply	96.25	31.91	102.92	75.92
	Total HT	156.81	164.46	189.48	159.02
	Grand Total (LT & HT)	778.19	835.39	831.26	803.24

As can be seen, MSPDCL overall energy sales are significantly dependent on the domestic consumers to the extent of around 60%. MSPDCL is of the view that there are various factors

contributing to the growth in the energy sales and beyond the control of the utility including factors such as Rural Electrification, Government Policy, investment climate, weather conditions and force majeure events like natural disasters, etc. It is also submitted that the sales in Domestic category have increased due to launch of Saubhagya Scheme. The growth rates, on CAGR basis, for projection have been calculated as below:

Table 41: Category-wise Energy Sales CAGR (%)

S No.	Particulars	Growth Rate Assumed
A.	LT Supply	
1	Kutir Jyoti	0%
2	Domestic	1%
3	Commercial LT	2%
4	Public Lighting	0%
5	PWW	0%
6	Irrigation and Agriculture	0%
(i)	Agriculture	
(ii)	Irrigation (Others)	
7	Cottage and Small Industries	3%
	Total LT	3%
B.	HT Supply	0%
8	Commercial HT	7%
9	PWW	9%
10	Irrigation and Agriculture	0%
(i)	Agriculture	
(ii)	Irrigation (Others)	
11	Medium Industries	9%
12	Large Industries	9%
13	Bulk Supply	2%
	Total HT	5%
	Grand Total (LT & HT)	4%

The category wise CAGR has been derived from the actual sales volume of past 3 years as shown above.

Table 42: Category-wise Projected Energy Sales (MU)

S No.	Particulars	2025-26
A.	LT Supply	
1	Kutir Jyoti	0.00
2	Domestic	526.43
3	Commercial LT	88.19
4	Public Lighting	2.04
5	PWW	4.26

6	Irrigation and Agriculture	0.00
7	Cottage and Small Industries	31.00
	Total LT	651.92
B.	HT Supply	
8	Commercial HT	27.13
9	PWW	44.60
10	Irrigation and Agriculture	0.30
11	Medium Industries	2.64
12	Large Industries	15.33
13	Bulk Supply	78.16
	Total HT	168.15
	Grand Total (LT & HT)	820.08

5.6. Consumer Profile

Manipur State Power Distribution Company Limited caters to a diverse consumer mix constituting of domestic, commercial, HT Industry, LT Industry and agriculture consumers. The number of consumers in various categories is summarized in table below:

Table 43: Category-wise Projected Number of Consumers

S No.	Particulars	Number of consumers FY 2022-23 Actuals	Number of consumers FY 2023-24 Actuals	Number of consumers FY 2024-25 Actuals	Number of consumers FY 2025-26 Projected
A.	LT Supply				
1	Kutir Jyoti	15,907	-	-	0
2	Domestic				
(i)	First - 100 kWh/Month	410,953	418,856	421,524	425641
(ii)	Next - 100 kWh/Month	35,012	38,997	40,063	42445
(iii)	Above 200 kWh/Month	11,387	16,835	18,561	19675
3	Commercial LT				
(i)	First - 100 kWh/Month	16,534	17,748	18,088	18681
(ii)	Next - 100 kWh/Month	3,801	5,641	6,127	6331
(iii)	Above 200 kWh/Month	3,457	6,198	6,954	7162
4	Public Lighting	471	505	516	532
5	PWW	41	43	43	44
6	Irrigation and Agriculture				
(i)	Agriculture	0	0	0	0
(ii)	Irrigation (Others)	48	48	49	0
7	Cottage and Small Industries	2,384	2,402	2,420	2420
	Total LT	499,995	507,274	514,345	522,911

B.	HT Supply				
8	Commercial HT	993	1172	1,239	1276
9	PWW	189	221	234	241
10	Irrigation and Agriculture				
(i)	Agriculture	0	0	0	0
(ii)	Irrigation (Others)	26	21	21	21
11	Medium Industries	88	125	140	150
12	Large Industries	39	50	54	54
13	Bulk Supply	412	426	436	437
	Total HT	1,747	2,015	2,123	2,179
	Grand Total (LT & HT)	501,742	509,289	516,468	525,090

The Break-up of CAGR growth rate for category-wise number of consumers for 3 years is :

Table 44: Category wise Number of consumers CAGR (%)

S No.	Particulars	Growth Rate
A.	LT Supply	
1	Kutir Jyoti	0%
2	Domestic	
(i)	First - 100 kWh/Month	1%
(ii)	Next - 100 kWh/Month	6%
(iii)	Above 200 kWh/Month	6%
3	Commercial LT	
(i)	First - 100 kWh/Month	3%
(ii)	Next - 100 kWh/Month	3%
(iii)	Above 200 kWh/Month	3%
4	Public Lighting	3%
5	PWW	3%
6	Irrigation and Agriculture	
(i)	Agriculture	
(ii)	Irrigation (Others)	-100%
7	Cottage and Small Industries	0%
	Total LT	1%
B.	HT Supply	
8	Commercial HT	3%
9	PWW	3%
10	Irrigation and Agriculture	
(i)	Agriculture	0%
(ii)	Irrigation (Others)	0%
11	Medium Industries	7%
12	Large Industries	0%

13	Bulk Supply	0%
	Total HT	21%
	Grand Total (LT & HT)	1%

5.7. Connected Load

For projecting connected load, growth rate has been assumed to be last 3 year CAGR or zero, whichever is higher.

The table below mentions the growth rate assumed for the projection of connected load for FY 2025-26. Owing to the ongoing crisis and economic situation in Manipur, the growth rate has been assumed as 0%.

Table 45: Category wise connected load CAGR (%)

S No.	Particulars	Growth Rate
A.	LT Supply	
1	Kutir Jyoti	0%
2	Domestic	
(i)	First - 100 kWh/Month	0%
(ii)	Next - 100 kWh/Month	0%
(iii)	Above 200 kWh/Month	0%
3	Commercial LT	
(i)	First - 100 kWh/Month	0%
(ii)	Next - 100 kWh/Month	0%
(iii)	Above 200 kWh/Month	0%
4	Public Lighting	0%
5	PWW	0%
6	Irrigation and Agriculture	
(i)	Agriculture	0%
(ii)	Irrigation (Others)	0%
7	Cottage and Small Industries	0%
	Total LT	0%
B.	HT Supply	
8	Commercial HT	0%
9	PWW	0%
10	Irrigation and Agriculture	
(i)	Agriculture	0%
(ii)	Irrigation (Others)	0%
11	Medium Industries	0%
12	Large Industries	0%
13	Bulk Supply	0%
	Total HT	0%
	Grand Total (LT & HT)	0%

The connected load in various categories is summarized in table below:

Table 46: Category wise Projected Connected load based on CAGR (MW)

S No.	Particulars	Connected Load (MW) FY 2022-23	Connected Load (MW) FY 2023-24	Connected Load (MW) FY 2024-25	Connected load (MW) FY 2025-26
A.	LT Supply				
1	Kutir Jyoti	0.00	0.00	0.00	0.00
2	Domestic				
(i)	First - 100 kWh/Month	587.64	611.14	576.68	577.11
(ii)	Next - 100 kWh/Month	84.83	88.22	83.25	83.31
(iii)	Above 200 kWh/Month	41.45	43.11	40.68	40.71
3	Commercial LT				
(i)	First - 100 kWh/Month	44.79	46.58	43.34	43.37
(ii)	Next - 100 kWh/Month	9.64	10.02	9.32	9.33
(iii)	Above 200 kWh/Month	36.96	38.44	35.76	35.79
4	Public Lighting	1.22	1.23	1.21	1.21
5	PWW	0.45	0.45	0.44	0.44
6	Irrigation and Agriculture				
(i)	Agriculture	0.00	0.00	0.00	0.00
(ii)	Irrigation (Others)	0.37	0.37	0.37	0.37
7	Cottage and Small Industries	20.30	20.38	19.31	19.33
	Total LT	827.65	859.94	817.35	810.97
B.	HT Supply				
8	Commercial HT	26.20	27.25	19.93	19.95
9	PWW	17.61	18.31	15.53	15.54
10	Irrigation and Agriculture				
(i)	Agriculture	0.00	0.00	0.00	0.00
(ii)	Irrigation (Others)	0.76	0.76	1.09	1.09
11	Medium Industries	4.61	4.62	4.21	4.21
12	Large Industries	12.49	12.99	12.20	12.21
13	Bulk Supply	49.19	49.19	51.10	51.10
	Total HT	110.86	113.13	104.05	104.09
	Grand Total (LT & HT)	938.50	973.06	921.40	915.07

5.8. T&D Loss

Being a hilly terrain and characterized by population spread out throughout the State, the system network of the State consists of long length of distribution and LT lines, with aging components which are being upgraded through various schemes. The MSPDCL (erstwhile EDM) has achieved a significant reduction in transmission & distribution losses in the past.

The actual LT distribution losses in Manipur is higher than the distribution losses approved by the Commission. Continuous efforts made towards implementation of prepaid metering, system strengthening and other infrastructure improvement projects has started to show its effect in the form of higher revenue collection and decline in losses.

However, because of the law and order situation of the state in the current year, system strengthening works like augmentation of LT lines, replacement of DTRs, replacement of naked line with AB Cables and conversion from conventional meter to prepaid meter has been delayed. Further, T&D loss reduction has become challenging. It is also challenging to get timely payments from consumers in affected areas. Still, MSDCL has projected a slight reduction from 16.1% in FY 23-24 to 15.5% in FY 24-25 and 14.1% in FY 25-26.

It is submitted that energy availability for FY 2024-25 has been computed based on the actual Power purchase from April to September 2024 and previous year's pattern. Further, the transmission licensee, MSPCL operates the 33 kV network which is the input point of the distribution network. It may be noted that MSPDCL network periphery included only 11KV system and below whereas 33 KV and above transmission network falls under the MSPCL network. Therefore, segregating the MSPDCL distribution losses and MSPCL network losses, in absence of proper metering arrangements is not possible. In absence of an accurate figure of losses for 33 kV and above network, the Commission had calculated the losses without subtracting the intra state transmission losses.

The above mentioned quantum of distribution losses is primarily due to the higher LT line lengths and the hilly / complex terrain of Manipur State. The long LT distribution lines and distribution at 11 kV are leading to higher distribution losses in the state. In the recent past, due to various initiatives in rural electrification, significant progress was made by MSPDCL in addition to the rural consumers. However, it is pertinent to note that the new consumer addition happened in most remote areas by extending the distribution network of MSPDCL. Due to smaller load and low consumption level, technical line losses would be quite high in those areas. MSPDCL is trying its best to serve them continuously and maintain these systems with its workforce efficiently.

Table 47: T&D loss trajectory (%)

Particulars	2023-24 (Actual)	2024-25	2025-26
T&D Loss	16.1	15.5	15.0

The MSPDCL submits to the Commission to approve the distribution losses submitted herein.

5.9. Energy Balance

Based on the projected sales and the T&D loss trajectory as shown above in Table 47, the projections for energy requirement at the State Periphery for FY 2025-26 is shown in the table below:

Table 48: Energy Balance

S No	Particulars	Unit	Details
1	Own Generation	MU	0.00
2	Power purchase from CGS	MU	1069.15
3	Add: UI Over drawl	MU	6.93
4	Add: IEX purchases	MU	125.00
5	Add: Returned Banking Energy	MU	54.21
6	Less: IEX sales	MU	173.52
7	Less: Banking mode sales	MU	54.21
8	Gross Energy handled at NER	MU	1027.57
9	Pool Losses	%	3.50%
10	Energy Losses at NER	MU	35.96
11	Net Energy available at NER after losses	MU	991.61
12	Less: UI Under drawl	MU	26.81
13	Gross Energy handled at State Periphery	MU	964.80
14	Total Sales (LT+HT)	MU	820.08
15	Transmission and Distribution loss	MU	154.37
16	Transmission and Distribution loss	%	16.10%

5.10. Power Purchase Quantum and Cost

The energy requirement for the MSPDCL is met by supply of power from Central Generating Stations and a small quantum is purchased through short term market. MSPDCL mainly relies on the allocations of power from Central Generating Stations like NHPC, NEEPCO, OTPC Pallatana Unit I and Unit II.

MSPDCL for the purpose of estimation of the power availability during FY 2025-26 has considered the following sources of power:

- NHPC (Loktak HEP) Central Public Sector Generating Stations, (NE Region);
- NTPC Bongaigaon Unit I-III
- NEEPCO (Hydro) Central Public Sector Eastern Region Generating Stations, (NE Region);
- NEEPCO (Gas) Central Public Sector Eastern Region Generating Stations, (NE Region);
- OTPC, Pallatana-Unit I and Unit II
- Power purchase from short-term sources (IEX).
- Over-drawl under unscheduled interchange during peak hours at lean period.

The power purchase cost has been calculated by multiplying the average power purchase rate and the projected energy to be procured from the generating stations. Tariff rate has been

derived for each of the stations based on the average cost (Rs/kwh) for FY 2023-24 or the average of past years. The availability has also been projected based on the actual availability in the latest years. Besides, the existing generating stations, MSPDCL is expected to get additional power from NHPC Lower Subansiri project Stage I Project (500 MW) from FY 25-26 (April'25 onwards). MSPDCL has an allocation of 22 MW in the project and the availability has been projected based on PLF of 40% for FY 25-26. The average tariff for the project is expected to be INR 5.00/unit. OTPC Palatana is facing reduced gas supply due to reasons beyond the control of their supplier and hence have to purchase gas from alternate sources at higher charges. Hence they have increased our tariff as well.

The allocation of tied up CGS for FY 2025-26 is shown in the table below:

Table 49: MSPDCL Allocation from CGS for FY 2025-26

Sr. No.	Power Purchase	Installed Capacity (MW)	FY 2025-26	
	Plant		Units (MU)	Cost (Rs Cr)
A	CGS – NEEPCO			
1	Kopili -I HEP	200.00	26.05	6.86
2	Kopili-II HEP	25.00	9.51	2.65
3	Khandong HEP	50.00	0.00	0.00
4	Ranganadi HEP	405.00	95.75	32.56
5	Doyang HEP	75.00	14.32	11.48
6	Assam GBPP	291.00	135.39	92.88
7	AGTPP	130.00	59.72	39.50
	Sub-Total			
B	CGS – NHPC			
1	Loktak HEP Purchased Power	105.00	55.78	24.13
2	Loktak HEP- Free Power		47.18	0.00
	Sub-Total			
C	Others			
1	Baramura GBPP Unit IV and V	42.00		0.00
2	OTPC Palatana	726.00	302.17	130.72
	Sub-Total			
D	New Plants			
1	NTPC Bongaigaon Unit I - III	750	287.77	176.36
2	Monarchak Gas Based PP (NEEPCO)			
3	Kameng HEP Stage I			
4	Kameng HEP Stage II			
5	Pare HEP	110	35.51	19.54
6	Tuirial HEP		0.00	0.00
7	Lower Subansiri Stage I	500	0.00	0.00
8	Lower Subansiri Stage II		0.00	0.00
9	Renewable – Solar (REC)		0.00	0.00
10	Renewable – Non Solar		0.00	0.00
	Sub -Total			

E	Short-Term Power Purchase			
	IEX Purchase- GTAM/GDAM		125.00	56.25
	Sub -Total			
F	UI			
	UI Overdrawal		6.93	3.80
	Supplementary bills			24.75
	Late Payment Surcharge			7.5
	Sub -Total			
G	REC			
	Solar		247.49	4.95
	Non-Solar			
	Grand Total		1201.09	633.92

*Not considered in Units Availability

5.11. Renewable Purchase Obligations (RPO)

JERC has issued RPO targets vide its regulation Joint Electricity Regulatory Commission for Manipur & Mizoram (Renewable Purchase Obligation and its Compliance) (First Amendment) Regulations, 2023.

MSPDCL plans to meet the RPO targets through:

- Renewable Energy Certificates from IEX at prevailing rates

The table below shows RPO compliance targets for MSPDCL.

Table 50: RPO Compliance

S No	Particulars	Formula	Unit	2024-25	2025-26
				Value	Value
1	Energy Sale excl. Inter-State Sale		MU	803.24	820.08
2	Total RPO Target		%	29.91%	33.01%
3	Total RE purchase requirement	1*2	MU	240.25	270.71
4	HPO Target		%	1.08%	1.48%
5	Hydro power purchase requirement	1*4	MU	8.67	12.14
6	WPO Target		%	2.46%	3.36%
7	Wind power purchase requirement	1*6	MU	19.76	27.55
8	Other RPO Target		%	26.37%	28.17%
9	Other RE Purchase Requirement	1*8	MU	211.81	231.02
10	Energy Storage purchase obligation target		%	1%	2%
11	Energy Storage purchase requirement	1*10	MU	8.03	12.30
12	Actual hydro power purchase		MU	26.01	35.51
13	Surplus / Deficit in Hydro power purchase	12-5	MU	17.34	23.38
14	HPO achievement	12/1	%	3%	4%
15	Wind power purchase		MU	0.00	0.00
16	Surplus / Deficit in wind power purchase	15-7	MU	-19.76	-27.55
17	WPO achievement	15/1	%	0%	0%
18	Other RE purchase	a+b+c+d+e	MU	0.00	0.00
a	Co-generation		MU	0.00	0.00

b	Small Hydro		MU	0.00	0.00
c	Biomass		MU	0.00	0.00
d	Solar		MU	0.00	0.00
e	Others		MU	0.00	0.00
19	Surplus / Deficit in other RE purchase	18-9	MU	-211.81	-231.02
20	Other RPO achievement	18/1	%	0%	0%
21	Energy Storage Purchase		MU	0.00	0.00
22	Surplus / Deficit in other RE purchase	21-11	MU	-8.03	-12.30
23	Energy Storage Purchase achievement	21/1	%	0%	0%
24	Total RE purchase achievement	12+15+18+21	MU	26.01	35.51
25	RE Purchase achievement in %	24/1	%	3.24%	4.33%

MSPDCL has projected to purchase RECs to meet the gap in compliance of the RPO obligation set by JERC. MSPDCL in FY 25-26 has a total RPO obligation of 33.01% (1.48% from new hydro, 3.36% from wind, 28.17% from other renewables and 2% from energy storage). As against this, the actual RPO purchase is only to the extent of 13.24% which is against, the new hydro sources of Pare and Lower Subansiri.

To meet the total deficit from other sources equivalent to 180.9 MUs, MSPDCL has projected to buy RECs based on the declining trend of RECs in the present market and the existing rate of INR 0.2/kWh has been assumed to meet this cost. The energy from RECs has not been shown in the total availability.

5.12. **Transmission charges**

Transmission charges payable to PGCIL are based on the point of connection charges per MW per month as notified by CERC and the scheduled generation and drawl by the applicable entity. MSPDCL has allocations from various Central Generating Stations and other generating stations located outside state which determines the transmission charges payable by MSPDCL.

PGCIL for FY 2025-26 have been projected by escalating the existing charges by 5% based on the trend of past years. The Intra-State transmission charges for MSPCL has been adopted from the ARR Petition of FY 2025-26 by MSPCL. NERLDC and SLDC charges have been projected same as that of FY 2023-2024. The same shall be adjusted based on the actual filing made by MSPCL before JERC for FY 2025-26. We would request the Commission to consider the actual projected charge of MSPCL for FY 25-26, as per the tariff petition due to be filed by MSPCL before JERC

Table 51: Transmission Charges (Rs. Crore)

Particulars	2023-24	2024-25	2025-26
PGCIL Charges	79.75	92.38	97.00
MSPCL Charges	74.00	89.34	122.91
SLDC charges	0.90	0.9	0.9
NERLDC Charges	1.82	1.82	1.82
Total	156.47	184.44	222.63

5.13. **Operation and Maintenance Expenses**

The Operation and Maintenance (O&M) expenses comprises of Employee Expenses, Repair and Maintenance (R&M) Expenses and Administrative and General (A&G) Expenses.

1. Employee Expenses

The Projection for Tariff filing is done by taking 5.72% year on year growth on employee expenses of the actual cost of FY 2023-24 figure. The remaining growth is due to projected addition of 700 employees in FY 25-26 in the payrolls of MSPDCL.

Table 52: Employee expenses for FY 2025-26 (Rs. Crore)

Particulars	2024-25 (Estimated)	Escalation Factor	2025-26
Employee Expenses	78.00	5.72%	98.95

2. R&M Expenses

Repair and Maintenance (R&M) Expenses includes all expenditure incurred on the maintenance and upkeep of distribution assets. It includes the expenses on repairs and maintenance of Plant and Machinery, Transformers, Lines, cable network, Vehicles, Office equipment, etc. As per regulations the R&M are projected by taking an escalation of 5.72% over the estimated figure of FY 2024-25. MSPDCL submits to the Commission that it is important for MSPDCL to incur the R&M expenses as mentioned above in order to maintain and strengthen the system and quality of supply.

Table 53: R&M expenses for FY 2025-26 (Rs. Crore)

Particulars	2024-25 (Estimated)	Escalation Factor	2025-26
R&M Expenses	16.14	5.72%	17.06

MSPDCL requests the Commission to approve the R&M expense without any disallowances as the same is necessary for proper maintenance and strengthening of the system and quality of supply in the region in order to ensure consumer satisfaction.

3. A&G Expenses

Administrative and General (A&G) Expenses includes all expenditure incurred in operating a business such as:

- ✓ Travel and conveyance expenses
- ✓ Consultancy and regulatory fees
- ✓ IT services and outsourcing cost
- ✓ Office Expenses
- ✓ Publication Expenses
- ✓ Other administration Expenses
- ✓ Telephone
- ✓ Hiring of vehicle etc.

As per regulations the R&M are projected by taking an escalation of 5.72% over the estimated figure of FY 2024-25.

Table 54: A&G expenses for FY 2025-26 (Rs. Crore)

Particulars	2024-25 (Estimated)	Escalation Factor	2025-26
A&G Expenses	16.44	5.72%	17.38

The total O&M expenses are shown in the Table below:

Table 55: O&M expenses for FY 2025-26 (Rs. Crore)

Particulars	2025-26
O&M Expenses	133.40

5.14. Capital Expenditure Plan

Considering the increase in demand from HT & LT consumers, MSPDCL would be required to undertake significant capital expenditure for system augmentation and strengthening. System augmentation would not only help MSPDCL in handling increased load but would also ensure better quality of supply and network reliability to the consumers. Since, the current T&D loss levels are high, the capital expenditure would help in reduction in the T&D loss level.

Table 56: Capital Expenditure (Rs. Crore)

S No	Capex	2025-26
1	RDSS Scheme of Gol (Distribution System Improvement)	126.4
2	SS – II	21.03
3	CWIP PREPAID METER in Hills	0.00
	TOTAL	147.43

5.15. Gross Fixed Assets and Depreciation

The depreciation on the GFA is calculated as per the JERC (MYT) Regulations 2014.

The assets transferred to MSPDCL at the time of restructuring of erstwhile EDM are not booked as grants but as capital reserve/ equity. As such, the depreciation should be allowed on the entire assets transferred from the erstwhile EDM into the corporate entity of MSPDCL. This is also reflected in the audited annual statements of MSPDCL.

For calculating the GFA, the figures of the last year have been used as the opening balance and the additional depreciation is on the new assets added to the GFA on the capital investment schemes mentioned above in the capital investment plan

S No	Capex	2025-26
1	RDSS Scheme of Government of India (Distribution System Improvement)	126.4
2	Development of Sub Stations (SS- II)	21.03
	TOTAL	147.43

The depreciation rate on the assets has been taken as per the actual average depreciation rate booked as per the accounts.

Table 57: GFA for FY 2025-26 (Rs. Crore)

Asset Categories	Closing balance as on 31.03.2025/Opening balance as on 1.04.25	Addition	Closing balance as on 31.03.2026 before depreciation	Depreciation	Closing balance as on 31.03.2026
Plant & Machinery	2,367.68	147.43	2,515.11	55.66	2,459.45
Building	70.36		70.36	2.43	67.93
Furniture & fittings	1.31		1.31	0.09	1.22
Computer	8.31		8.31	1.47	6.84
Heavy Equipments	0.05		0.05	0.00	0.05
Heavy Vehicle	0.80		0.80	0.08	0.71
Office Equipments	0.04		0.04	0.00	0.04
Vehicle	5.42		5.42	0.57	4.85
Land	0.35		0.35	0.00	0.35
Software	15.20		15.20	0.35	14.84
	-		-		-
Plant & Machinery	48.13		48.13	1.12	47.00
Building	13.02		13.02	0.45	12.57
Furniture & fittings	0.03		0.03	0.00	0.02
Computer	0.00		0.00	0.00	0.00
Office Equipments	0.04		0.04	0.00	0.04
Vehicle	0.03		0.03	0.00	0.03
TOTAL	2,530.76	147.43	2,678.19	62.24	2,615.95

MSPDCL humbly requests to the commission to allow depreciation of Rs 62.24 crore for FY 25-26.

5.16. Interest and Finance charges

The major part of capital expenditure undertaken by MSPDCL is funded by the Central / State Government's grants and consumer contribution. However, in addition to these sources of funds, the details of loans with the computation of Interest on loan are shown in the Table below:

Table 58: Loan Details for FY 2025-26 (Rs. Crore)

S No.	Particulars	Installation of 130W LED Lights & 20m High Mast Lighting	Prepaid Meter Loan Valley (16113)	Prepaid Meter Loan Hill (16114)	SLTTL	LPS
1	Opening Loan	15.60	81.30	71.20	97.85	142.50
2	Addition during the year	0.00	14.00	10.00	0.00	0.00
3	Repayment during the year	0.00	1.30	0.00	6.80	9.40
4	Closing Loan	15.60	94.00	81.20	91.05	133.10

5	Average Loan	15.60	87.65	76.20	94.45	137.80
6	Rate of Interest	10.62%	10.71%	10.84%	10.46%	10.50%
7	Interest & Finance Charges	1.66	9.39	8.26	9.88	14.47

MSPDCL humbly requests to the commission to allow IoL of Rs 43.65 crore for FY 25-26.

For the loan taken for street lighting and high mast lighting, it is submitted that the same may be considered by the Commission as the loan has already been taken and the interest is also being paid for the same. MSPDCL shall make sure in future to comply with the directive of the Commission for not undertaking such works, unless specifically approved by the Commission. However, since this work has already been undertaken and is serving the consumers of the state, the Hon'ble Commission is requested to kindly allow the expense.

5.17. Interest on Working Capital

As per Regulation 29.4 of JERC Terms and Conditions of Tariff Regulations 2014, Distribution Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- (a) Operation and maintenance expenses for one month; plus
- (b) Maintenance spares at one (1) per cent of the historical cost escalated at 6% from the date of commercial operation; plus
- (c) Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs; minus
- (d) Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees;

Interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.

Levy of Interest on Working capital becomes essential as many of our HT bulk consumers and large industries constituting more than 20% of sales in units as well as charges have postpaid meters and the discom has to wait for atleast 1-2 months for collection from them.

The computation of normative Interest on Working Capital (IoWC) as per Regulation 29.4 of JERC Terms and Conditions of Tariff Regulations 2014 for MSPDCL for FY 2025-26, is shown in the Table below:

Table 59: IoWC for FY 2025-26 (Rs. Crore)

S No	Particulars	Unit	FY 2023-24	FY 2024-25	FY 2025-26
1	O&M Expenses for 1 month	Rs. Cr.	8.79	9.22	11.12
2	Maintenance spares at 1% of GFA escalated by 6%	Rs. Cr.	26.38	27.47	28.39
3	Receivables equivalent to 1 month of sale of electricity at the prevailing tariffs	Rs. Cr.	52.94	47.84	48.90
4	less: Consumer Security Deposit		29.75	29.75	29.75

5	Net Working Capital	Rs. Cr.	58.36	54.77	58.66
6	SBAR Interest Rate	%	12.90%	12.90%	12.90%
7	Interest on Working capital	Rs. Cr.	7.53	7.07	7.57

5.18. Return on Equity

As per audited accounts, the RoE is computed on paid up capital of Rs. 90.05 Crore at the rate of 15.50% as stated in clause 26.1 of JERC (Multi Year Tariff) regulations 2014.

Table 60: Return on Equity

S No	Particulars	Unit	FY 2023-24	FY 2024-25	FY 2025-26
1	Average Equity	Rs Cr.	10.05	50.05	90.05
2	RoE %	%	15.50%	15.50%	15.50%
3	Return on Equity	Rs Cr.	1.56	7.76	13.96
4	MAT Rate applicable	%	0%	0%	0%
5	Net RoE (Grossed up by MAT rate)	Rs Cr.	1.56	7.76	13.96

5.19. Non-tariff Income

MSPDCL submits here that the details of Non-tariff income for FY 2023-24 based on the audited statement. The Non-tariff income for FY 2024-25 and FY 2025-26 is projected using escalation factor of 6% on the FY 2023-24 figure and so on.

Table 61: Non-tariff income (Rs Crore)

Particulars	2021-22	2022-23	2023-24	2024-25 (Estimated)	Escalation Factor	2025-26
Non-tariff Income	5.74	9.65	45.45	39.00	6.00%	41.34

5.20. Aggregate Revenue Requirement

Based on the above component-wise expenses, the Aggregate Revenue Requirement computed for FY 2025-26 by MSPDCL is given in the Table below. Based on the projections, MSPDCL will have a huge gap of Rs 428 crore in FY 26.

Table 62: Aggregate Revenue Requirement (Rs. Crore)

S No.	Particulars	Proposed True up FY 2023-24	Proposed APR FY 2024-24	Proposed ARR FY 2025-26
A	Cost of power purchase	596.38	600.09	633.92
B	Transmission charges	156.47	184.44	222.63
1	PGCIL Charges	79.75	92.38	97.00
2	MSPCL Charges	74.00	89.34	122.91
3	SLDC Charges	0.90	0.90	0.90
4	NERLDC Charges	1.82	1.82	1.82

C	O&M Expenses	105.46	110.58	133.4
1	<i>Employee Expenses</i>	<i>74.04</i>	<i>78</i>	<i>98.95</i>
2	<i>A&G Expenses</i>	<i>14.13</i>	<i>16.44</i>	<i>17.38</i>
3	<i>R&M Expenses</i>	<i>17.3</i>	<i>16.14</i>	<i>17.06</i>
D	Depreciation	57.41	60.66	62.24
E	Interest on Loan	29.43	46.41	43.65
F	Interest on Working Capital	7.53	7.07	7.57
G	Bad Debt			
H	Total Cost	952.68	1009.24	1103.41
1	Add: RoE	1.56	7.76	13.96
2	Add: Income Tax	0	0	0
3	Add: Truing up Gap of Past Years	0	0	25.52
I	Total	954.25	1017	1142.89
J	Less: Non Tariff Income	45.45	39	41.34
K	Aggregate Revenue Requirement (ARR)	908.79	978	1101.55
L	Revenue from sale of surplus power	84.71	52.29	55.52
M	Net ARR	824.08	925.71	1046.03
N	Revenue at Existing Tariff	505.53	574.08	586.85
O	Revenue Gap / Surplus	-318.55	-351.63	-459.17
1	Add. Additional Revenue from Tariff Hike (average 15%)			88.03
P	Govt. Subsidy Requirement	318.55	351.63	371.15

Chapter 6: Tariff determination for FY 2025-26

ARR for FY 2025-26 for MSPDCL is proposed as follows:

Table 63: Combined ARR of MSPDCL proposed for FY 2025-26 (Rs. Crore)

S No.	Particulars	2025-26
A	Cost of power purchase	633.92
B	Transmission charges	222.63
C	O&M Expenses	133.40
1	Employee Expenses	98.95
2	A&G Expenses	17.38
3	R&M Expenses	17.06
D	Depreciation	62.24
E	Interest on Loan	43.65
F	Interest on Working Capital	7.57
G	Bad Debt	
H	Total Cost	1103.41
I	Add: RoE	13.96
J	Add: Income Tax	0
	Add: Truing up Gap of Past Years	25.52
K	Total	1142.89
L	Less: Non Tariff Income	41.34
M	Aggregate Revenue Requirement (ARR)	1101.55

From above table it can be seen that, the total ARR of MSPDCL proposed for FY 2025-26 is of Rs. 1101.55 Cr. In order to recover the same, MSPDCL has primarily three main sources. MSPDCL can recover the ARR by sale of power at existing tariff to different consumers, can partially meet the revenue from Government subsidy received upfront and partly from the surplus power sold outside the state. Following table shows the status of revenue gap with existing consumer tariff.

Table 64: Revenue Gap for FY 2025-26 at existing tariff (Rs Crore)

Sr. No	Particulars	Amount in Rs. Cr
1	Annual Revenue Requirement	1101.55
2	Revenue from sale of power at existing tariff	586.85
3	Revenue from sale of surplus power	55.52
4	Total Revenue	642.38
5	Revenue Gap	459.17

Thus MSPDCL has estimated that it will face a Revenue Gap of Rs. 459.17 Cr in FY 2025-26 for the proposed ARR with recovery as per existing tariff.

The projected Average Cost of Supply and Average realization from sale of power for FY 2025-26 is as shown in the Table Below:

Table 65: Projected ACOS and Avg. Realization FY 2025-26 at existing tariff (Rs. Crore)

SI No.	Particulars	Units	MSPDCL Projected
1	Aggregate Revenue Requirement (ARR)	Rs Cr.	1101.55
2	Revenue from sale of surplus power	Rs Cr.	55.52
3	Net ARR within state (1-2)	Rs Cr.	1046.03
4	Govt. Subsidy Requirement	Rs Cr.	371.15
5	Net ARR after Govt. Subsidy (3-4)	Rs Cr.	674.88
a	Revenue at Existing Tariff	Rs Cr.	586.85
b	Additional Revenue from Tariff Hike	Rs Cr.	88.03
6	Energy Sale with State	MU	820.08
7	Average Cost of Supply (3/6)	Rs/KWH	12.76
8	Average Revenue Realisation (5/6)	Rs/KWH	8.23
9	Average Subsidy per unit (7-8)	Rs/KWH	4.53
10	Average Revenue Realization at existing tariff (5a/6)	Rs/KWH	7.16
11	Average Subsidy Requirement at existing tariff (7-10)	Rs/KWH	5.60

In order to recover the estimated revenue gap, MSPDCL's proposal is discussed in following paragraphs:

Table 66: Average Tariff Increase Required (FY 2025-26)

Sl.	Particulars	Units	Without subsidy	With subsidy
1	Net ARR	Rs. Crore	1101.55	1101.55
2	Revenue from Existing Tariff	Rs. Crore	586.85	586.85
3	Sale of Surplus Power	Rs. Crore	55.52	55.52
4	Total Sales Proceeds (2 + 3)	Rs. Crore	642.38	642.38
5	Revenue Gap (1 - 4)	Rs. Crore	459.17	459.17
6	State Government Revenue Subsidy	Rs. Crore		371.15
7	Net Un-met GAP	Rs. Crore	459.17	88.03
8	Revenue from sale of power at proposed tariff (4+7-3)	Rs. Crore	1046.03	674.88
9	Unit revenue realisation at the proposed Tariff	Rs. / kWh	12.39	8.23
10	Average Tariff hike required = (Sl no 7 / Sl no 2) x100	%	78.2%	15.0%

While CERC approves the tariff hike of Central Generating Stations and Transmission Companies on a regular basis, there has been no proportionate increase in the MSPDCL's Retail Supply Tariff (RST).

This situation widens the gap between the revenue collection and the power purchase cost.

Without corresponding increase in tariff, MSPDCL will not be able to sustain and pay the CPSU Generating Stations and Transmission Companies. Therefore, it is proposed to hike the MSPDCL consumer tariff and hence **15% increase** has been proposed so as to meet the increasing revenue gap.

Tariff Proposal for FY 2025-26

- The total revenue gap for the FY 2025-26 to be covered is Rs. **459.17** Crores. The above ARR gap can be sought to be filled by:
 - a. Tariff Increase
 - b. Budgetary support from the Govt. of Manipur
- In case the entire gap was to be met from Tariff Increase, the average increase in tariff would work out to nearly 100%. It is presumed that this is an unacceptable level of tariff hike, and the realistic tariff in the region needs to form the basis for the proposed maximum increase in tariff, with the balance gap being addressed by one of the other means.
- The MSPDCL has been receiving budgetary support from the Government of Manipur. The same support is expected to be provided during the ensuing year. Accordingly, out of the gap of Rs. 459.17 Crore, Rs. 371.15 Crore is proposed to be covered by budgetary support from Government of Manipur basis the past trend of subsidy support approved by the Commission and also paid by the State Government. Therefore, the balance revenue gap of Rs. **88.03 crore** will have to be met from tariff increase and other recovery mechanism.
- The provisions of the Section 61 (g) of the Electricity Act, 2003 state that the Appropriate Commission should be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. In line with the above provision, the National Tariff Policy also states that the tariffs should be within ± 20 % of the average cost of supply. However, in the present scenario it shall neither be feasible nor in the larger interest of the population of the State of Manipur to burden those with tariff anyway near to average cost of supply. Considering these limitations, the Tariff proposal has been formulated by MSPDCL with an endeavor to progressively approach to reduce the burden (budgetary support) on the Government of Manipur, without giving any tariff shock to the consumers. Furthermore, attempt has been made to evenly distribute the impact of increase in tariff required to fill the revenue gap left after the subsidy committed by the Government of Manipur within the given constraint of consumer mix in the State.
- MSPDCL has considerably increased quality and duration of power supply throughout the state. This has resulted in increased quantum of power purchase to be done by MSPDCL which has in turn increased average cost of supply. As such MSPDCL proposes to increase Tariff of all the consumers by 15.00% in average for FY 2025-26 to partially meet the increased cost of supply.
- Further, the tariff hike of 15% has been proposed considering that there has not been a tariff hike for the past 3 years in Manipur. Additionally, to keep the proposed subsidy consistent to the previous years, a tariff hike of 15% has been petitioned to bridge the remaining revenue gap.

Table 67: Existing & Proposed Tariff Structure with Subsidy

SI No.	Category and Consumption slab	Existing Tariff for FY 2024-25		Proposed Tariff Schedule for FY 2025-26		% increase
		Fixed Charges (Rs/kW/KVA/PM)	Energy Charges (Rs/kWh or kVAh)	Fixed Charges (Rs/kW/KVA/PM)	Energy Charges (Rs/kWh or kVAh)	
LT SUPPLY						
1	Kutir Jyoti	Rs/Connection	Rs/kWh	Rs/Connection	Rs/kWh	
	All units (upto 45 KWh/3 months)	25	2.10	25	2.10	0%
2	Domestic	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	
(i)	First - 100 kWh/Month	65	5.10	70	6.60	26%
(ii)	Next - 100 kWh/Month	65	5.95	70	7.50	20%
(iii)	Above 200 kWh/Month	65	6.75	70	8.10	14%
3	Non-Domestic / Commercial	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	
(i)	First - 100 kWh/Month	85	6.55	90	6.90	5%
(ii)	Next - 100 kWh/Month	85	7.25	90	7.60	5%
(iii)	Above 200 kWh/Month	85	7.65	90	8.00	5%
4	Public Lighting	70	9.60	75	9.60	0%
5	Public Water Works	105	9.80	110	9.80	0%
6	Irrigation and Agriculture	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	
(i)	Agriculture	65	4.55	70	4.60	1%
(ii)	Irrigation (Others)	65	4.55	70	4.60	1%
7	Small Industry	70	5.60	75	5.60	0%
HT SUPPLY						
		Rs./kVA	Rs./kVAh	Rs./kVA	Rs./kVAh	
1	Commercial	105	8.90	110	9.00	1%
2	Public Water Works	105	9.60	110	9.60	0%
3	Irrigation and Agriculture					
(i)	Agriculture	105	5.15	110	5.20	3%
(ii)	Irrigation (Others)	105	5.15	110	5.20	1%
4	Medium Industry	105	8.00	110	8.20	3%
5	Large Industry	105	9.10	110	9.20	1%
6	Bulk Supply	105	9.25	110	9.25	0%

- We are proposing a higher tariff hike on domestic sales because it constitutes more than 60% of the discom sales and domestic tariff rates are almost 40% less than rates for industry. To have any meaningful impact of tariff hike on revenues of MSPDCL, it is essential to increase tariff on domestic category by a significant margin as compared to other categories.

Chapter 7: Tariff schedule for FY 2025-26

1. General Conditions of Supply (For all categories of Consumers):

1.1 Rebate for advance payment: For payment of energy bill in advance, a rebate of 1% shall be allowed on the rate of charge of the applicable tariff. This will be applicable only to those consumers provided with prepaid energy meters.

1.2 Rebate/Surcharge for availing supply at voltage higher/lower than base voltage: For those who avail supply at higher voltage than the classified supply voltage for corresponding load as per clause-3.2 of Electricity Supply Code Regulations, 2013 of JERC (Manipur and Mizoram) rebate shall be allowed and of those availing power at lower voltage than the specified voltage (as per the above Regulation) surcharge shall have to be levied as detailed below:

- (i) **For consumers having Contracted load upto 50kW** – If the supply is given at HV/EHV, a rebate of **5%** shall be admissible on both the rates of energy charge and fixed charge of the applicable tariff.
- (ii) **For consumers having contracted load above 50kW** – If supply is given at a voltage lower than the base voltage for corresponding load as per clause mentioned above, the consumer shall be required to pay an extra charge of **10%** additionally on the bill amount (Energy charge + Fixed charge) calculated at the applicable tariff.
- (iii) All voltages mentioned above are nominal rated voltages as per clause 3.2 of the Electricity Supply Code Regulations, 2013 issued by JERC (Manipur & Mizoram).

1.3 Payment: All payments can be made by way of Cash (upto an amount acceptable to the Licensee from time to time), Banker's Cheque, Demand Draft or Money Order or e-transfer by Online. Demand drafts shall be payable at any branch of a scheduled commercial bank that is a member of the clearing house for the area where the concerned Sub Divisional Office is located.

However, part payment is subjected to acceptance by the competent authority. Bank commission/charges, if any, should be borne by the consumers.

1.4 Validity of existing Recharge Voucher: in the case of any consumer with a prepaid meter having purchased pre-paid voucher prior to the effective date of new Tariff, the existing voucher shall be continued invariably till such voucher amount is fully exhausted. Thus, the Licensee shall cautiously issue voucher such that the

issued voucher validity is for a minimum number of days beyond the effective date of new tariff.

- 1.5 Due Date:** Due date for payment of monthly bill through cheques shall be **three (3) days** in advance from the normal due date for that bill payment. While, in the case of payment through online bank transfer/credit card, it shall be **one (1) day** in advance from the normal due date specified for that bill. The licensee shall ensure that the bill is delivered to the consumer by hand/post/courier at **least ten (10) days** prior to the payment due date of the bill. (Clause 6.1 & 6.5 of the JERC for Manipur & Mizoram (Electricity Supply Code Regulations, 2013 with latest amendments).
- 1.6 Surcharge for late payment of bills:** If payment is not received within the due date surcharge @ 2% per month at simple interest on the outstanding principal amount for the period of delay in successive period or part thereof will be levied/charged, until those number of days outstanding amount is not fully repaid.
- 1.7 Single Point Delivery:** This tariff is based on the supply being given through a single point of delivery and metering is also at one voltage. Supply at other points at other voltage/voltages shall be separately metered and billed for and shall be considered as separate connection.
- 1.8 Voltage and frequency:** All voltages and frequency shall be as per clause 3.1 and 3.2 of Electricity Supply Code Regulations, 2013 issued by the JERC for Manipur & Mizoram with all applicable amendments made from time to time.
- 1.9 Power Factor Incentive / Surcharge: -**

- a) If the average monthly power factor of the consumer (except Domestic & Kutir Jyoti) increases above 95%, he shall be paid an incentive at the following rate:

Criteria condition	Eligible Incentive
For each one percent increase by which his average monthly power factor is above 95%, up to unity power factor	Incentive at One percent (1%) of the total amount of the bill under the head 'energy charge'.

- a) If the average monthly power factor of the consumer falls below 90%, he shall pay a surcharge in addition to his normal tariff, at the following rate:

Criteria condition	Surcharge payable
For each one percent by which his average monthly power factor falls below 90% up to 85%	Surcharge levied at One percent (1%) of the total

	amount of the bill under the head 'energy charge'.
--	---

- c) If average monthly power factor of the consumer falls below 85%, he shall pay a surcharge in addition to his normal tariff at the following rate:

Criteria condition	Surcharge payable
For each one percent by which his average monthly power factor falls below 85%	Surcharge levied at Two percent (2%) of the total amount of the bill under the head 'energy charge'.

- d) If the average monthly power factor of the consumer falls below 70%, then the utility shall have the **right to disconnect supply** to consumer's installation after serving a notice of 15 days. Supply may be restored only after suitable steps are taken to improve the power factor to the satisfaction of the Utility. This is, however, without prejudice to the levy of surcharge for low-power factor in the event of supply not being disconnected.
- e) For this purpose, the "average monthly power factor" is defined as the ratio of total 'Kilo Watt hours' to the total 'Kilo Volt Ampere hours' recorded during the month. This ratio will be rounded off to two figures after decimal. Figure 5 or above, in the third place after decimal be rounded-off to the next higher figure in the second place after decimal.
- f) Notwithstanding the above, if the average monthly power factor of a new consumer is found to be less than 90% at any time during the first 6 (six) months from the date of release of connection and if he maintains the average monthly power factor in subsequent three (3) months at not less than 90%, then the surcharge billed on account of low power factor during the said period, shall be withdrawn and credited in next month's bill after the said observation period of three (3) months.

1.10 Transformation loss: The consumers getting their supply at HT and metered on the LT side shall be charged transformation loss in kWh as per clause-5.7 of JERC for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013. The same is reproduced for convenience sake:

- (1) The average losses in the transformer shall be calculated as follows and added to the energy consumption indicated by the meter:

$$730 \times 1.0 \times C$$

$$\text{Average transformer loss} = \frac{\text{-----}}{100} = \text{kVAh per month}$$

where C = KVA rating of the transformer. For conversion of kVAh to kWh or vice versa, latest power factor as per JERC (M&M) (Electricity Supply Code) Regulations, 2013 with latest amendment is to be adopted.

- (2) The transformer loss arrived at by the above formula shall be added to the energy consumption, even when the recorded energy consumption is found **nil**.
- (3) 1% of the transformer capacity for transformer above 63 KVA will be added to the recorded maximum demand on the Low-Tension side to arrive at the equivalent High-Tension demand.

1.11 Rounding-off Contracted Load/Billing demand: For the purpose of calculation of fixed/demand charge in the monthly billing, the contracted load/billing demand shall be taken on actual basis (not to be rounded), except for load less than 500 W. Load less than 500 W shall be taken as 0.5 kW for calculation purpose of fixed/demand charge in the monthly billing. **The Licensee should update Contracted load/Billing demand as per the provisions of clause-4.108 of JERC for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013 (with up to date amendment).**

Fixed/Demand charge in the monthly billing shall be calculated as follows: -
Fixed/Demand charge per month = Contracted load (in kW) or Billing demand (in kVA) x Rate of fixed charge per month per kW/kVA (as the case may be).

Sample calculation for Domestic Purpose (1) 1.25KW (2) 0.36 kW, Fixed charge for Domestic is Rs 60.00 per kW of contracted load is assumed.

Sample 1: - Fixed charge = 1.25 x 60 = Rs 74.40 = Rs 74.00.

Sample 2: - Fixed charge = 0.36 kW (=0.50 kW after rounding) x 60 = Rs 30.00.

Note: Fraction of rupees is rounded-off as per clause 1.11 of this tariff schedule and load below 0.5 kW is rounded-up to 0.5 kW as per clause 1.10 of this tariff schedule.

1.12 Rounding-off Rupees: Each component of bill, such as energy charge, fixed/demand charge, meter rent, surcharge, rebate of any kind, etc, including interest, involving fraction of a rupee should **be individually rounded-off to nearest rupee** (fraction of 50 paisa and above to be round off to the next higher

rupee and fraction less than 50 paise to be ignored). In case of non-availability/scarcity of small change of rupees less the Rs.10/-, consumer may be allowed to tender next higher amount divisible by 10. Such over tendered amount shall be carried forward into next month bill as credit and shall not earn interest for whatsoever reason.

1.13 Mixed Load: - Any part of the connection given for one specific category purpose, should not be utilized for any different purpose, involving higher rate of charge in the tariff. A separate connection shall have to be taken invariably for such loads/purposes under appropriate category afresh, failing which the entire consumption (i.e., existing category consumption and additional consumption for different purpose) shall be billed in that corresponding category ***having higher rate of applicable tariff*** for which any part of that connection is utilised for the entire period of lapse.

1.14 System of supply:

1.14.1- LT Supply:

- i) Alternating current, 50 Hz, single phase (1Ø) 240 Volts up to 8kW
- ii) Alternating current, three phase (3Ø), 400 Volts for loads above 8 kW **up to** 50 kW. wherever 3-phase (3Ø) connection is required for load less than or equal to 8 kW,
- iii) Alternating current, three phase (3Ø), 400 Volts for loads above 8 kW **up to** 50 kW.

Wherever 3-phase (3Ø) connection is required for load less than or equal to 8 kW, necessary justification shall be provided along with such request for consideration of licensee for extending such supply.

1.14.2- HT Supply:

Supply of Electricity to the Consumers at voltage above 400V as per Clause 3.2 of JERC for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013 **with up to date amendment.**

1.14.3 The maximum demand: The Mixed Demand means the highest load measured in average kVA or kW at the point of supply of a consumer during any consecutive period of 30 (thirty) minutes during the month or the maximum demand recorded by the MDI during the month.

1.14.4 Billing demand: As defined in Clause 2.3(12) of the Joint Electricity Regulatory Commission for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013 with latest amendments.

The clause reads as follows:

“Billing Demand means highest of the following: -

- (i) the Contract demand, or**
- (ii) the maximum demand indicated by the meter during the billing cycle or**
- (iii) the sanctioned load wherever contract demand has not been provided in the supply agreement.”**

1.14.5 Government Subsidy: Section-65 of E.Act 2003 is hereby reproduced

– “ Provision of subsidy by State Government:- *If the State Government requires to grant of any amount of subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:*

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by the State Commission shall be applicable from the date Tariff order is issued by the Commission in this regard in each year.”

Therefore, if the government subsidy is regularly received, the licensee shall adopt tariff ‘A’ (Subsidised Tariff) or in the event of non-receipt of said subsidy, the Licensee shall be at liberty to implement tariff ‘B’ (Full Cost Tariff i.e., without Subsidy) during the period of non-receipt.

There could be a situation, where the outstanding monthly subsidy due was released by the government after passage of much time elapse and thereby consumers were to be billed at full cost tariffs (Tariff-B) in those relevant month or months when subsidy due was not released as stipulated by the

Commission. Given the situation, the entire excess amount so charged to all those consumers on account of full cost tariff adoption shall have to be refunded in the form of deduction by treating such excess amount so collected by Licensee **as an advance payment in one instalment** in the immediate monthly billing cycle where bills to issued to respective consumers soon after receipt of such pending Tariff subsidy relating to the past month/months. If in case, the excess amount so refundable is exceeding the monthly billing amount to be so adjusted in case of any consumer/consumers, then such excess amount unrefunded may be carried forward and be adjusted in the following monthly bill/bills to be issued to such consumer/consumers **until full settlement is done with.**

1.14.6 Applicable Taxes or Duties:

The tariff notified above does not include any taxes (including GST) or duties etc., on electrical energy that may be payable at any time in accordance with changes in any Law or Central Government/State Government Rules in force. Such charges, if any, shall be payable in addition to tariff charges by the consumer/user.

1.14.7 Contingency: - In case of any inconsistency between this Tariff schedule and the prevailing JERC for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013, the provisions, meaning and the contents of the said Electricity Supply Code shall only prevail.

TOD Tariff (New Provision Proposed)

The Ministry of Power in its notification dated 14.06.2023 had mentioned that the Time of Day (TOD) Tariff for Industrial and Commercial consumers having maximum demand more than 10 kW shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a TOD tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters. It also notified that the Time of Day (TOD) Tariff as specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff. Solar hours have not yet been defined for Manipur by MnERC, so it is not possible for us to define the hours for off peak tariff.

Hence, MSPDCL is proposing TOD tariff structure as per the following slabs:

From	To	Period	Energy Charge– Rs/kWh
For all consumers except agricultural consumers			
4:00	6:00	Normal	Normal Rate
6:00	10:00	Peak	120% of the Normal Rate for industrial and commercial consumers whereas 110% of the normal rate for other consumers
10:00	16:00	Normal	Normal Rate
16:00	22:00	Peak	120% of the Normal Rate for industrial and commercial consumers whereas 110% of the normal rate for other consumers
22:00	04:00	Normal	Normal Rate

2. Subsidised Tariff for FY 2024-25 to LT & HT Category Supply: (Same as Per Last Tariff Order dated 14th June 2024 with the rates proposed above)

Chapter 8: Wheeling Charges for FY 25-26

MSPDCL is not maintaining separate accounts for the distribution wire business and retail supply business. So, the ARR of the wheeling business is arrived at as per the following matrix.

Sl. No.	Particulars	Wire business	Retail Supply business
1	Power purchase cost	0%	100%
2	Inter-State transmission Charges	0%	100%
3	Intra-State Transmission Charges	0%	100%
4	NERLDC Charges	0%	100%
5	Employee cost	60%	40%
6	R & M expenses	90%	10%
7	Adm. & General Expenses	50%	50%
8	Depreciation	90%	10%
9	Interest & Finance Charges	90%	10%
10	Interest on working Capital	10%	90%
11	Provision for bad debts	0%	100%
12	Income tax	90%	10%
13	Return on equity	90%	10%
14	Contribution to contingency reserves	100%	0%
15	Non-tariff Income	10%	90%

ARR for Wires Business for FY 2025-26 projected by MSPDCL

Sl. No.	Particulars	Total ARR (Rs.Cr)	Wire Business (%)	Wire business ARR (Rs. Cr)
1	Power Purchase Expenses	633.92	0%	0.00
2	O&M Expenses			
	Employee Expenses	98.95	60%	59.3
	Administration & General Expenses	17.38	50%	8.7
	Repair & Maintenance Expenses	17.06	90%	15.35
3	Depreciation	62.24	90%	56.01
4	Interest on Loan	43.65	90%	39.28
5	Interest on Working Capital	7.57	10%	0.75

Sl. No.	Particulars	Total ARR (Rs.Cr)	Wire Business (%)	Wire business ARR (Rs. Cr)
7	Transmission Charges	192.34	0%	0.00
8	Return on Equity	13.96	90%	12.60
9	Truing gap of past years	25.52	0%	0.00
	TOTAL ARR	1112.60		191.32
10	Least Non-Tariff Income	41.34	10%	1.12
11	TOTAL ARR (A)	1071.26		190.20
12	Energy Available at State Periphery (MUs) (B)			964.8
13	Wheeling Charges (Rs/kwh) (A/B*10)			1.97

Thus, MSPDCL proposes Wheeling Charges of Rs. **1.97 per kWh** for wires business.

Chapter 9: Prayers

MSPDCL requests Hon'ble Commission to:

- a. Admit the Petition for Final True-up for FY 2023-24
- b. Approve the amounts claimed in the true up of FY 2023-24;
- c. Admit the petition and approve the APR for FY 2024-25
- d. Approve the amounts claimed in the ARR for FY 2025-26;
- e. Approve the category-wise tariffs proposed by MSPDCL for FY 2025-26;
- f. Condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioner to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date;
- g. Permit submission of any additional information required by the Commission during the processing of this Petition;
- h. Pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.

Manipur State Power Distribution Company Limited

Petitioner

Place: Imphal

Dated:

Chapter 11: Annexures

Audited Annual Accounts of FY 2023-24



MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

(Regd. Office : 3rd Floor, New Directorate Building, near 2nd MR Gate

Imphal – Dimapur Road, Imphal, Manipur)

CIN: U40101MN2013SGC008343

No. 2/108/2024/MSPDCL-ARR/ 4684-87

Imphal, the 3rd Feb'25

To

The Chairman,
Manipur Electricity Regulatory Commission (MnERC)
C/o Manipur State Power Company Ltd (MSPCL)
Keishampat Junction, Imphal, Manipur – 795001
Email: ercmanipur@gmail.com

**Sub:- Supplementary information related to the matter of determination of tariff for
FY 2025-26 w.r.t. MSPDCL**

Ref.No: MSPDCL letter vide No: 2/108/2024/MSPDCL-ARR/4191-94 dated: 13th Jan, 25

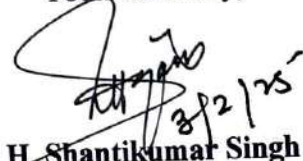
Sir,

With reference to subject cited above, I am to enclose herewith the supplementary filing which is related to the tariff proposal for FY 25-26. MSPDCL would like to revise its tariff proposal and would now like to propose around 20% hike in the tariff rates (instead of average 15% increase proposed earlier) to reduce the Government subsidy support and the ARR as proposed in the earlier petition remains unchanged.

As such, the Hon'ble Commission is requested to consider the tariff proposal (Chapter 6) as per this supplementary filing instead of the original petition. The other chapters/matters, not submitted here which are filed in the original petition stands unchanged.

MSPDCL prays to the Hon'ble Commission to consider this supplementary information along with the original petition of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26.

Yours faithfully,


(H. Shantikumar Singh)
Managing Director
MSPDCL, Imphal

Copy to:-

- 1) The PS to Minister Power, GoM, for kind infoⁿ to the Hon'ble Power Minister, GoM
- 2) The Commissioner (Power), Govt. of Manipur for kind favour of information please
- 3) CF / GF



**Supplementary Filing for
Tariff Determination for FY 2025-26**

**of
MANIPUR STATE POWER DISTRIBUTION
COMPANY LTD (MSPDCL)
for its Distribution and Retail Supply Business**

Submitted to:

Manipur Electricity Regulatory Commission

By

**MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
(MSPDCL), IMPHAL**

February, 2025



**BEFORE THE HONOURABLE MANIPUR ELECTRICITY REGULATORY
COMMISSION**

on
R

FILING NO _____

CASE NO _____

ad

IN THE MATTER OF:

***Supplementary Information Regarding Petition for ARR for
FY 2025-26 for Manipur State Power Distribution
Company Limited (MSPDCL) under Sections 45, 46, 61, 62
and 64 of the Electricity Act 2003 and as per the JERC
(Multi Year Tariff) Regulations 2014.***

AND IN THE MATTER OF:

Manipur State Power Distribution Company Limited
(hereinafter referred to as "MSPDCL", which shall mean for the
purpose of this Petition the "Licensee" or "Petitioner") having
its registered office at Imphal, Manipur.

The Petitioner, under sections 45, 46, 61, 62 and 64 of the Electricity Act, 2003 files for submission of supplementary information for deciding on the matters concerning the approval of ARR for FY 2025-26, Tariff Determination for FY 2025-26 for Manipur State Power Distribution Company Limited (hereinafter referred to as "MSPDCL" or "Petitioner")

The Petitioner respectfully submits as under:

1. The Petitioner is the sole Distribution Licensee in the State of Manipur, which has been formed after the restructuring of the erstwhile Electricity Department of Manipur. With effect from 1st February, 2014, the Electricity Department of Manipur has been restructured into two Companies, viz., the Manipur State Power Distribution Company Limited (MSPDCL) responsible for distribution and retail supply in the State of Manipur, and the Manipur State Power Company Limited (MSPCL) responsible for generation and transmission functions in the State of Manipur.
2. Pursuant to the enactment of the Electricity Act, 2003 MSPDCL is required to submit its Annual Revenue Requirement (ARR) and Tariff Petition as per procedures outlined in Sections 61, 62 and 64 of the Electricity Act, 2003 and the governing regulations thereof.
3. MSPDCL had submitted its Petition for approval of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26 in accordance with the principles specified in the JERC (Multi Yer Tariff) Regulations, 2014, and its subsequent amendments, as notified by the Hon'ble Commission.
4. ***MSPDCL hereby is filing supplementary information related to the matter of determination of tariff for FY 2025-26 only. The other matters, not submitted here, which are filed in the original petition stands unchanged.***


Managing Director
MSPDCL


5. MSPDCL prays to the Hon'ble Commission to consider this supplementary information along with the original petition of Final True up of FY 2023-24, APR for FY 2024-25, ARR for FY 2025-26 and Tariff Determination for FY 2025-26.


Manipur State Power Distribution Company Limited
Petitioner

Managing Director
MSPDCL



Place: Imphal

Dated:

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Managing Director
MSPDCL


Chapter 6: Tariff determination for FY 2025-26

The present supplementary filing is only related to the tariff proposal for FY 25-26. MSPDCL would like to revise its tariff proposal and would like to now propose around 20% hike in the tariff rates (instead of average 15% increase proposed earlier) to reduce the Government subsidy support and recover the ARR as proposed in the earlier petition. As such, the Commission is requested to consider the tariff proposal (Chapter 6) as per this supplementary filing instead of the original petition. The other chapters shall remain the same as filed in the original petition.

In the petition filed by MSPDCL, the ARR for FY 2025-26 for MSPDCL has been proposed as follows:

Table 63: Combined ARR of MSPDCL proposed for FY 2025-26 (Rs. Crore)

S No.	Particulars	2025-26
A	Cost of power purchase	633.92
B	Transmission charges	222.63
C	O&M Expenses	133.40
1	Employee Expenses	98.95
2	A&G Expenses	17.38
3	R&M Expenses	17.06
D	Depreciation	62.24
E	Interest on Loan	43.65
F	Interest on Working Capital	7.57
G	Bad Debt	
H	Total Cost	1103.41
I	Add: RoE	13.96
J	Add: Income Tax	0
	Add: Truing up Gap of Past Years	25.52
K	Total	1142.89
L	Less: Non Tariff Income	41.34
M	Aggregate Revenue Requirement (ARR)	1101.55

From above table it can be seen that, the total ARR of MSPDCL proposed for FY 2025-26 is of Rs. 1101.55 Cr. In order to recover the same, MSPDCL has primarily three main sources. MSPDCL can recover the ARR by sale of power at existing tariff to different consumers, can partially meet the revenue from Government subsidy received upfront and partly from the surplus power sold outside the state. Following table shows the status of revenue gap with existing consumer tariff.

Table 64: Revenue Gap for FY 2025-26 at existing tariff (Rs Crore)

Sr. No	Particulars	Amount in Rs. Cr
1	Annual Revenue Requirement	1101.55
2	Revenue from sale of power at existing tariff	586.85
3	Revenue from sale of surplus power	55.52
4	Total Revenue	642.38
5	Revenue Gap	459.17

Managing Director
MSPDCL




Thus, MSPDCL has estimated that it will face a Revenue Gap of Rs. 459.17 Cr in FY 2025-26 for the proposed ARR with recovery as per existing tariff.

The projected Average Cost of Supply and Average realization from sale of power for FY 2025-26 is as shown in the Table Below:

Table 65: Projected ACOS and Avg. Realization FY 2025-26 at existing tariff (Rs. Crore)

SI No.	Particulars	Units	MSPDCL Projected
1	Aggregate Revenue Requirement (ARR)	Rs Cr.	1101.55
2	Revenue from sale of surplus power	Rs Cr.	55.52
3	Net ARR within state (1-2)	Rs Cr.	1046.03
4	Govt. Subsidy Requirement	Rs Cr.	341.80
5	Net ARR after Govt. Subsidy (3-4)	Rs Cr.	704.23
a	Revenue at Existing Tariff	Rs Cr.	586.85
b	Additional Revenue from Tariff Hike	Rs Cr.	117.37
6	Energy Sale with State	MU	820.08
7	Average Cost of Supply (3/6)	Rs/KWH	12.76
8	Average Revenue Realisation (5/6)	Rs/KWH	8.59
9	Average Subsidy per unit (7-8)	Rs/KWH	4.17
10	Average Revenue Realization at existing tariff (5a/6)	Rs/KWH	7.16
11	Average Subsidy Requirement at existing tariff (7-10)	Rs/KWH	5.60

In order to recover the estimated revenue gap, MSPDCL's proposal is discussed in following paragraphs:

Table 66: Average Tariff Increase Required (FY 2025-26)

Sl.	Particulars	Units	Without subsidy	With subsidy
1	Net ARR	Rs. Cr	1101.55	1101.55
2	Revenue from Existing Tariff	Rs. Cr	586.85	586.85
3	Sale of Surplus Power	Rs. Cr	55.52	55.52
4	Total Sales Proceeds (2 + 3)	Rs. Cr	642.38	642.38
5	Revenue Gap (1 - 4)	Rs. Cr	459.17	459.17
6	State Government Revenue Subsidy	Rs. Cr		341.80
7	Net Un-met GAP	Rs. Cr	459.17	117.37
8	Revenue from sale of power at proposed tariff (4+7-3)	Rs. Cr	1046.03	704.22
9	Unit revenue realisation at the proposed Tariff	Rs. / kWh	12.76	8.59
10	Average Tariff hike required = (Sl no 7 / Sl no 2) x100	%	78.2%	20.0%

While CERC approves the tariff hike of Central Generating Stations and Transmission Companies on a regular basis, there has been no proportionate increase in the MSPDCL's Retail Supply Tariff (RST).


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This situation widens the gap between the revenue collection and the power purchase cost. Without corresponding increase in tariff, MSPDCL will not be able to sustain and pay the CPSU Generating Stations and Transmission Companies. Therefore, it is proposed to hike the MSPDCL consumer tariff and hence **20% increase** has been proposed so as to meet the increasing revenue gap.


Tariff Proposal for FY 2025-26

- The total revenue gap for the FY 2025-26 to be covered is Rs. **459.17 Crores**. The above ARR gap can be sought to be filled by:
 - a. Tariff Increase
 - b. Budgetary support from the Govt. of Manipur
- In case the entire gap was to be met from Tariff Increase, the average increase in tariff would work out to around 78%. It is presumed that this is an unacceptable level of tariff hike, and the realistic tariff in the region needs to form the basis for the proposed maximum increase in tariff, with the balance gap being addressed by one of the other means.
- The MSPDCL has been receiving budgetary support from the Government of Manipur. The same support is expected to be provided during the ensuing year. Accordingly, out of the gap of Rs. 459.17 Crore, Rs. 341.80 Crore is proposed to be covered by budgetary support from Government of Manipur basis the past trend of subsidy support approved by the Commission and also paid by the State Government. Therefore, the balance revenue gap of Rs. **117.37 crore** will have to be met from tariff increase and other recovery mechanism.
- The provisions of the Section 61 (g) of the Electricity Act, 2003 state that the Appropriate Commission should be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. In line with the above provision, the National Tariff Policy also states that the tariffs should be within $\pm 20\%$ of the average cost of supply. However, in the present scenario it shall neither be feasible nor in the larger interest of the population of the State of Manipur to burden those with tariff anyway near to average cost of supply. Considering these limitations, the Tariff proposal has been formulated by MSPDCL with an endeavor to progressively approach to reduce the burden (budgetary support) on the Government of Manipur, without giving any tariff shock to the consumers. Furthermore, attempt has been made to evenly distribute the impact of increase in tariff required to fill the revenue gap left after the subsidy committed by the Government of Manipur within the given constraint of consumer mix in the State.
- MSPDCL has considerably increased quality and duration of power supply throughout the state. This has resulted in increased quantum of power purchase to be done by MSPDCL which has in turn increased average cost of supply. As such MSPDCL proposes to increase Tariff of all the consumers by 20.00% in average for FY 2025-26 to partially meet the increased cost of supply.
- Further, the tariff hike of 20% has been proposed considering that there has not been a tariff hike for the past 3 years in Manipur. Additionally, to keep the proposed subsidy consistent to the previous years, a uniform tariff hike of 20% has been petitioned to bridge the remaining revenue gap.


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Table 67: Existing & Proposed Tariff Structure with Subsidy

		Existing Tariff for FY 2024-25		Proposed Tariff Schedule for FY 2025-26		
S No.	Category and Consumption slab	Fixed Charges (Rs/kW/KVA/PM)	Energy Charges (Rs/kWh or kVAh)	Fixed Charges (Rs/kW/KVA/PM)	Energy Charges (Rs/kWh or kVAh)	% increase
LT SUPPLY						
1	Kutir Jyoti	Rs/Connection	Rs/kWh	Rs/Connection	Rs/kWh	
	All units (upto 45 kWh/3 months)	25	2.10	25	2.10	0%
2	Domestic	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	
(i)	First - 100 kWh/Month	65	5.10	78	6.12	20%
(ii)	Next - 100 kWh/Month	65	5.95	78	7.14	20%
(iii)	Above 200 kWh/Month	65	6.75	78	8.10	20%
3	Non-Domestic / Commercial	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	
(i)	First - 100 kWh/Month	85	6.55	102	7.86	20%
(ii)	Next - 100 kWh/Month	85	7.25	102	8.70	20%
(iii)	Above 200 kWh/Month	85	7.65	102	9.18	20%
4	Public Lighting	70	9.60	84	11.52	20%
5	Public Water Works	105	9.80	126	11.76	20%
6	Irrigation and Agriculture	Rs/kW	Rs/kWh	Rs/kW	Rs/kWh	0%
(i)	Agriculture	65	4.55	78	5.46	20%
(ii)	Irrigation (Others)	65	4.55	78	5.46	20%
7	Small Industry	70	5.60	84	6.72	20%
HT SUPPLY						
		Rs./kVA	Rs./kVAh	Rs./kVA	Rs./kVAh	
1	Commercial	105	8.90	126	10.68	20%
2	Public Water Works	105	9.60	126	11.52	20%
3	Irrigation and Agriculture					%
(i)	Agriculture	105	5.15	126	6.18	20%
(ii)	Irrigation (Others)	105	5.15	126	6.18	20%
4	Medium Industry	105	8.00	126	9.60	20%
5	Large Industry	105	9.10	126	10.92	20%
6	Bulk Supply	105	9.26	126	11.10	20%


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