

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

Present : Shri. Preman Dinaraj, Chairman

OA 11/2020

In the matter of Truing up of accounts of M/s Thrissur Corporation
Electricity Department (TCED) for the financial year
2018-19

Petitioner : M/s Thrissur Corporation Electricity Department (TCED)

Respondent : M/s Kerala State Electricity Board Limited

ORDER DATED 20/08/2020

1. Thrissur Corporation Electricity Department under Thrissur Municipal Corporation (*hereinafter referred as TCED or the Licensee*) is a deemed licensee under Electricity Act 2003. The Commission had, on 08-11-2019, issued an Order in Petition No. OA 09/2019, approving the ARR & ERC of the licensee for the first Control Period (2018-19 to 2021-22). In the said Order, the Commission had approved a revenue surplus of Rs.799.94 lakh for the year 2018-19. Based on the provisions of the KSERC (Terms and Conditions for determination of tariff) Regulations 2018, licensee filed the petition dated 26-05-2020 for the truing up of accounts for the financial year 2018-19.
2. In the petition for the truing up of accounts for 2018-19, the licensee has shown a revenue gap of Rs.63.55 lakh. A comparison of the approved ARR and truing up petition for the years 2017-18 and 2018-19 is given below:

Table 1
Comparison of Truing Up of accounts for the year 2017-18 and 2018-19

Particulars	2017-18			2018-19		
	Approved in ARR (Rs.lakh)	Truing Up Petition (Rs.lakh)	Trued Up (Rs.lakh)	Approved in ARR (Rs.lakh) (A)	Truing Up Petition (Rs.lakh) (B)	Variance (Rs.lakh) (C)=(B)-(A)
Revenue from Sale of Power	12703.90	11486.91	11,486.91	11918.55	11650.79	-267.76
Other Income	720.50	994.58	1,525.31	1151.10	833.03	-318.07
Total Income	13424.40	12481.49	13,012.22	13069.65	12483.82	-585.83
Purchase of Power	11637.86	10123.63	10,167.97	10518.48	10353.93	-164.55
R&M Expenses	57.81	90.79	70.81	1254.28	95.36	383.65
Employee Cost	996.47	1177.75	1,163.49		1141.65	
A &G Expenses	272.29	394.69	138.17		400.92	
Interest & Finance Charges	248.32	215.97	159.98	224.64	220.07	-4.57
Depreciation	221.28	238.33	238.33	198.81	241.82	43.02
Return on Equity	50.63	87.59	88.47	73.50	93.61	20.11
Total Expenditure	13484.66	12328.75	12,027.22	12269.71	12547.36	277.65
Net Surplus/(Deficit)	(60.26)	+152.73	985.00	799.94	(63.55)	-863.49

3. After examining the petition, the Commission sought clarification vide letter dated 30-06-2020 and M/s TCED furnished their clarification on 15-07-2020 and the Commission scheduled the petition for hearing.

Hearing on the matter

4. Public hearing on the petition was conducted through video conferencing on 22-07-2020 at 11.00 A.M. Sri. T.S. Jose, Electrical Engineer, M/s TCED, Sri. Rahul, Consultant Team, M/s TCED and other officers represented the petitioner. Sri. T.S. Jose briefed the details of the petition and responded to the queries of the Commission. The main points given in the petition are briefed below.

- The licensee has claimed a revenue gap of Rs.63.55 lakh as against the revenue surplus of Rs.799.94 lakh, approved in the ARR order.

- There is an increase in the number of consumers and sale of power compared to the previous year. The distribution loss approved for the year was 7%. The actual loss for the year is 7.72% which is higher than the approved level.
- The actual claim of employee cost is Rs.1141.65 lakh as against Rs.1092.60 lakh approved in the ARR by the Commission. Major portion is towards salary, wages, pension contribution and earned leave encashment and employer contribution.
- The Repair and Maintenance Charges claimed by the licensee is Rs.95.36 lakh as against Rs.82.01 lakh approved in the ARR for the year.
- The A&G expense claimed by the licensee as per the petition for truing up was Rs.400.92 lakh as against the approved amount of Rs.79.66 lakh in the order on ARR&ERC. The major claim booked under A&G expense are towards Rent, rates & taxes, section 3(1) duty, flood donation and conveyance and vehicle expense etc. amounting Rs.172.03 lakh, Rs.85.13 lakh and Rs.50 lakh and Rs.12.92 lakh respectively.
- The licensee had claimed interest on security deposits of Rs.220.07 lakh at an interest rate of 6.25%. The actual disbursement of Rs.187.62 lakh reported by the licensee in the current year 2018-19 is the interest relating to the previous year 2017-18.
- The depreciation claimed for the year is inclusive of asset additions worth Rs.292.90 lakh. No formal approval for the asset addition has been obtained.

5. Sri. Manoj.G, AEE, TRAC represented M/s KSEB Ltd and presented the counter statement/comments of M/s KSEB Ltd. The major points raised by M/s KSEB Ltd are the following:

- The actual disbursement of interest on security deposit during the year 2018- 19 is Rs.187.62.88 lakh, but that claimed in truing up petition is Rs.220.07 lakh. The Commission may allow only the actual interest paid to consumers during the year.
- The T&D loss approved by the commission was 7% as against this the licensee has claimed T&D loss of 7.72% and hence the additional power purchase cost be disallowed.
- All components under O&M expenses claimed in truing up petition is 30% higher than the approved cost. As these are controllable expenses, the licensee may reduce these expenses. The R&M Charges claimed by the petitioner is Rs.95.36 lakh against the approved amount of Rs 82.01 lakh. The claim is higher by 16.27% against the approved amount.

- Employee cost claimed by the petitioner is Rs.1141.65 lakh against the approved amount of Rs.1092.60 lakh and is higher by 4.49%.
- The Commission may take uniform approach regarding Section 3 duty and the claim of the licensee on Electricity duty may be disallowed. With regard to rent, it was submitted that the Commission in the trueing up order for the year 2017-18 had deferred the matter pending submission of details. The details not seen submitted by the licensee even now.
- The licensee has claimed depreciation of Rs.241.83 lakh against the approved value of Rs.198.81 lakh. It is noticed that, the petition is silent about the capital expenditure approval of current year asset additions and the consumer contribution and grants are not deducted for calculating depreciation.
- The Return on capital claimed by the petitioner is Rs.93.61 lakh against the approved amount of Rs.73.50 lakh. It may be limited to the approved level.
- The quantum of the energy purchased from KSEB Ltd and the claim made by the licensee under power purchase tally with the records of KSEB Ltd.
- TCED has not yet executed the power purchase agreement with KSEBL. The intervention of the Commission is sought for the completion of the formalities of signing the PPA with KSEBL.
- Considering the fact that the cumulative surplus Rs.13889.42 lakhs available with the licensee, BST rates to be revised at the time of tariff revision.

6. During the hearing the Commission directed M/s TCED to submit the following additional details.

- Separate petition to be filed in respect of the employee details for arriving at rational employee strength as per CEA norms.
- The details called for regarding the rent charged by the Thrissur Corporation may be submitted urgently and the issue be sorted out this being a long pending matter.
- Details of solar project to be submitted for approval.
- The capital additions Rs.2.93 crore in the true up petition is without the prior approval of the Commission. Details of Capital expenditure proposals pending for approval
- Details of doubtful debts including age wise analysis and measures taken for realization of dues.
- Details of Housing loan written off Rs.6.50 lakh to be furnished.

- Purchases of inventory Rs.2.29 crore is very high and there is considerable increase in the inventory levels. A report on the inventory holding to be submitted with suggestions for reducing the level and the carrying cost.
- Details of liability for service connection charges of Rs 1.21 crore
- Justification as to why unviable small hydro projects are being proposed.
- Basis on which pension is being disbursed by TCED. Government orders If any to be furnished
- Efforts taken by TCED to get reimbursement of pension amount paid from LSGD. Correspondence in this regard to be made available.
- Detailed report to be submitted on pension amount of Rs.30.35 crore recoverable from Government. Details of contributory pension along with relevant Government Orders for old scheme existing prior to 2013 and the orders regarding the revised scheme.
- As directed in truing up order dated 28-04-2020, employee details to be submitted and Energy audit to be conducted and report to submitted in a time bound manner.

7. The Commission directed the licensee to submit details, on or before 14/08/2020. The licensee has furnished the details vide letter dated 12-08-2020.

Analysis and decision of the Commission

8. The Commission has carefully considered the licensee petition, their additional clarifications and submissions along with the comments of M/s KSEB Ltd. The analysis and decisions of the Commission on this petition are detailed below:

Energy Sale

9. The energy sale as per the petition is 1449.00 lakh units, as against the approved sale of 1494.80 lakh units in the ARR i.e. a difference of 45.80 lakh units. A comparison of the actual sale of power for the different consumer categories for the year 2017-18 and 2018-19 is given below:

Table 2

Comparison of No of Consumers and energy sales for 2017-18 and 2018-19

Category	For Truing Up 2017-18		For Truing Up 2018-19	
	No of consumers	Sales In lakh Units	No of consumers	Sales In lakh Units
Domestic	21150	396.80	21,383	398.80
Non domestic	16937	530.80	17,152	546.20
Agriculture	197	0.70	195	0.80
Industrial	528	36.60	523	34.90
Street lighting	187	18.60	224	17.80
High Tension	112	452.50	117	449.10
Self Consumption	-	1.40	-	1.40
Total	39,111	1437.30	39,594	1449.00

10. As seen above, the number of consumers during 2018-19 is 39,594 and the sale is 1449 lakh units. The Commission notes that the number of consumers which was 39,111 during 2017-18 increased to 39,594 during 2018-19 i.e. an increase of 483. The sales have increased from the previous year for all consumer categories except industrial and high tension. The major share of the sale (546.20 lakh units) is to the LT non-domestic category followed by the HT category (449.10 lakh units) and the LT domestic category (398.80 lakh units). There is no change in the self consumption over the previous years. ***After analyzing the details, the Commission approves the energy sales of 1449.00 lakh units as per the licensee's truing up petition for 2018-19.***

Energy requirement and Distribution Loss

11. As per the truing up petition, the total energy input is 1570.27 lakh units and the energy purchased from KSEB Ltd is 1565.70 lakh units. The balance 3.60 lakh units are from the solar PV plant and 0.97 lakh units from purchased from solar PV units from consumers.

12. In the petition, the actual T&D loss for the year 7.72% as against the T&D loss target of 7.00% approved by the Commission in the order on ARR&ERC. The details of the distribution loss as per the petition submitted are shown below.

Table 3
Comparison of Energy Purchase and Distribution Loss

	Particulars	2017-18		2018-19	
		As per Truing Up Petition	Trued Up	ARR Approved	As per Truing Up Petition
1	Energy sales (lakh units)	1437.30	1437.30	1494.80	1449.00
2	Energy Requirement (lakh units)	1549.40	1559.57	1607.30	1570.27
a)	Purchase from KSEB Ltd	1546.90	1557.07	-	1565.70
b)	Self generation (solar)	2.50	2.50	-	3.60
c)	Solar energy purchase	-	-	-	0.97
	Total energy requirement	1549.40	1559.57	1607.30	1570.27
3	Distribution loss (lakh units)	112.10	122.27	112.50	121.27
4	Distribution loss (%)	7.25%	7.84%	7.00%	7.72%

13. The Commission has examined the details of energy input and sales. It is significant to note that the actual loss has increased to 7.72% from the previous year (2017-18) level of 7.25%. The actual distribution loss reported by the licensee is higher than the levels approved by the Commission. The Commission sought the reason for increasing distribution loss compared to the previous year and the method used for calculating technical loss.
14. In the clarifications dated 15-07-2020 the licensee stated that distribution loss increased due to the failure of transformers during the floods in August and uninterrupted supply was provided from distant locations, which might have caused higher losses. In order to address the losses in the system, the Commission in the previous truing up order dated 28-4-2020 has directed to furnish quarterly report on faulty meters in the system, replacement of faulty meters, number of check meter reading taken, details of periodical inspections conducted, and irregularities/ inconsistencies reported etc., to the Commission. The licensee was also directed to monitor the losses in the system periodically, especially for the feeders for which study has already been conducted and improvements undertaken. In reply to the above direction the licensee has furnished number of faulty meters in the system from 1st April to 2020 to June 2020 as 151 nos, which was replaced. The licensee reported that during the period, the number of check reading taken was 46 and no irregularities were reported.

15. The Commission has examined the details furnished by the licensee. It is a fact that the distribution loss is higher than the previous year. As directed by the Commission, the licensee has furnished only the details of faulty meters and replacement of faulty meters in the system. However, no report on periodic monitoring has been furnished. ***The licensee has to take earnest efforts to contain the losses by proper study and follow up.*** The distribution loss is a controllable performance parameter as per the Regulations. If actual distribution loss is higher than the approved level of distribution loss, then the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average cost of power purchase as per the provisions of clause 72(4) of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018. ***Hence, the Commission decides to retain the approved distribution loss of 7.00% for the purpose of truing up also.*** Based on the approved distribution loss the energy requirement approved for the year 2018-19 for the purpose of truing up of accounts is as shown below.

Table 4
Approved Distribution loss for 2018-19

	Particulars	2017-18	2018-19		
		Trued Up	ARR Approved	As per Truing Up Petition	As per Approved
1	Energy sales (lakh units)	1,437.30	1,494.80	1,449.00	1,449.00
2	Distribution loss (%)	7.84%	7.00%	7.72%	7.00%
3	Energy Requirement (lakh units)	1,559.57	1,607.30	1,570.27	1,558.06
4	Excess distribution loss (lakh units) (1570.27 -1558.06)				12.21

Power purchase Cost

16. The total power purchase cost (from KSEB Ltd and solar energy) as per the truing up petition submitted is Rs.10353.93 lakh for the purchase of 1566.67 lakh units. The Commission in the order on ARR&ERC had approved the cost of power purchase of Rs.10518.48 lakh for a purchase of 1607.30 lakh units. The details of the power purchase cost as per the petition submitted are shown below.

Table 5
Power Purchase Cost for the years 2017-18 and 2018-19 as per petition

Particulars	2017-18	2018-19
	As per Truing Up Petition	As per Truing Up Petition
Source of Power		
Purchase from KSEB Ltd	1546.90	1565.70
Solar energy purchase	-	0.97
Total energy Input (lakh units)	1546.90	1566.67
Total Annual Fixed Charges (Rs.lakh)	1107.18	1191.59
Total Variable Charges (Rs.lakh)	9016.45	9162.33
Total Cost of Energy Received (Rs.lakh)	10123.63	10353.93
Average Cost of Energy (Rs)	6.54	6.61

17. It is seen that, the previous year average power purchase cost was Rs.6.54/unit. Compared to the previous year, the average power purchase cost is higher in the year 2018-19. The total energy purchase includes bulk supply from KSEBL and solar energy purchased from consumers. The solar energy of 0.97 lakh units purchased from consumers at total cost of Rs. 3.04 lakh (Rs.3.14 per unit) and 1565.70 lakh units purchased from KSEBL at total cost of Rs.10350.88 lakh (Rs.6.61 per unit). The detailed power purchase cost for the year is tabulated below.

Table 6
Details of cost of power purchase and average power purchase cost for the year 2018-19

2018-19		
	Particulars	As per Truing Up Petition
1	Purchase from KSEB Ltd	1565.70
2	Rate of Demand charge (Rs. /kVA)	300.00
3	Maximum demand billed (kVA)	3,97,196.00
4=2x3	Demand charges (Rs.lakh)	1,191.59
5	Rate of energy charges (Rs. /kWh)	5.85
6=5x1	Energy charges (Rs.lakh)	9,159.29
7=4+6	Cost of purchase from KSEB Ltd (Rs.lakh)	10,350.88
8	Purchase from consumers (Solar) (lakh units)	0.97
9	Rate of purchase	3.14
10=9x8	Cost of purchase (Rs.lakh)	3.04
11=7+10	Total Cost of power purchase	10,353.92
12=11/(1+8)	Average Power Purchase cost	6.61

18. As per the provisions of clause 72(4) of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018, the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average cost of power purchase Accordingly, based on the approved distribution loss of 7.00%, the power purchase cost approved for the year is as shown below.

Table 7
Cost of power purchase approved for 2018-19

1	Actual Energy purchase (lakh units) *	1570.27
2	Approved Energy purchase (lakh units)	1558.06
3	Excess distribution loss (lakh units)(1)-(2)	12.21
4	Average power purchase cost (Rs. / per unit)	6.61
5	Excess power purchase cost to be deducted(Rs. lakh) (4)* (3)	80.70
6.	Actual cost of power purchase (Rs.lakh)	10353.93
7	Approved Power purchase cost (Rs. lakh) (6-5)	10273.23

*including own solar generation of 3.60 lakh units (1566.67+3.60=1570.27)

19. The distribution loss as per the approved ARR is 7.00%. The total energy requirement as per the approved distribution loss would be 1558.06 lakh units, whereas the actual energy inputs 1570.27 lakh units, i.e. an excess of 12.21 lakh units over the approved level. ***The licensee has not furnished any convincing reasons for higher distribution loss. It is also a fact that there is no continuous monitoring of losses and factors contributing the same. The Commission in the Order dated 28-4-2020 had directed the licensee to take measures for controlling the distribution loss. Considering these, the licensee may approach the Commission within two months of the date of issue of this Order with sufficient details on the measures taken by the licensee as per the directions of the Commission and the required details substantiating the reasons for higher distribution loss, the Commission may consider revising the loss level if found necessary.*** The excess cost of power purchase due to higher distribution loss is estimated to be Rs.80.70lakh. ***Accordingly, the Commission approves the power purchase cost approved for the year 2018-19 at Rs.10273.23 lakh (Rs.10353.93 lakh- Rs.80.70 lakh).***

Operation & Maintenance expenses

20. Operation & maintenance expenses includes controllable expenses like Employees cost, Repair & Maintenance expenses and Administrative & General expenses. The Commission as per the provisions of clause 79(8) of the KSERC (Terms and

Conditions for Determination of Tariff) Regulations, 2018 has approved the operation & maintenance cost of Thrissur Corporation Electricity Department for 2018-19. However, the actual expenses claimed by TCED are higher than the level specified in the Regulations. The comparison of the claim and the amount approved in the Regulations is tabulated hereunder.

Table 8
Comparison of the O&M Expenses for 2018-19

O&M Expenses	2017-18		2018-19		
	As Per Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)	% increase above the norms
Employee expenses	1177.75	1163.49	1092.60	1141.65	4.49%
R&M expenses	90.79	70.81	82.01	95.36	16.28%
A&G expenses	394.69	138.17	79.66	400.92	403.29%
Total	1663.23	1372.47	1254.27	1637.93	30.59%

21. The Commission has conducted a detailed analysis of each of the components mentioned above and its decisions are given below:

Employee Cost

22. As per the norms in Tariff Regulations 2018, the Commission had approved an amount of Rs 1092.60 lakh towards employee cost for 2018-19. In the petition, the licensee has booked an amount of Rs.1141.65 lakh as employee costas detailed below.

Table 9
Comparison of employee cost for the year 2017-18 and 2018-19

Particulars	2017-18		2018-19	
	As per Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)
Salary	741.87	1163.49	1092.60	781.61
Wages	111.53			129.49
Pension Contribution	106.35			101.71
Bonus	11.33			6.97
Employer Contribution	11.23			25.30
Earned Leave Encashment	72.69			96.57
Salary Arrears	122.75			-
Total	1177.75			1163.49

23. As shown in the Table above, the actual employee cost for 2018-19 is higher than the ARR approved level of expenses by Rs.49.05 lakh. The per unit cost in 2018-19 (78.78 paise per unit) is however, lower compared to 2017-18 (81.94 paise per unit). Major portion of the employee cost is towards salary, which constituted 68.50%. However, there is an increase of 8.21% in employee cost in 2018-19, compared to the level in 2017-18(excluding salary arrears of Rs.122.75 lakh in 2017-18). It also seen that salary, wages, employer contribution and earned leave encashment of 2018-19 is higher compared to 2017-18. The Commission sought the reason for the higher amount of earned leave encashment and employer contribution during the year. The licensee has furnished the details in the letter dated 15-7-2020.
24. The Commission has examined the submissions of the licensee regarding employee cost. According to the licensee, the leave encashment during the year includes terminal surrender also, which is the reason for higher claim compared to previous year .Regarding the decrease in bonus/festival allowance compared to previous year, the licensee stated that, bonus/ festival allowances is given to the employee as per the Govt Order (Rs.2750 per every employee and bonus of Rs.4000)for the employees coming under the salary limit prescribed in the Govt order.
25. The reason for higher amount of employer contribution compared to previous year, the licensee stated that employer contribution includes Employer's EPF contribution and contributory Pension Contribution. Contributory pension includes arrears of previous years as the PRAN was not allotted to the employees at the time of inclusion.
26. The licensee has claimed an amount of Rs.101.71 lakh towards pension contribution for the year. The licensee stated that in the truing up petition only the pension contribution paid is claimed. However, the licensee is paying the pension to its retired employees from own fund which is not claimed. It is presently accounted under the head 'Loans and Advances receivable from the Government' and is not included under the employee cost.
27. The Commission had examined this issue in the previous years also and sought the month wise details of pension disbursements from the TCED account. The licensee had furnished the month wise total pension disbursements, contribution by TCED and the allotment received from Director of Urban Affairs (DUA) vide letter dated 15/07/2020.As per the said details, out of the total pension amount of Rs.5215.56 lakh from January 2008 to March 2019, Rs. 1476.45 lakh has been received as the allocation from DUA till 31/03/2019. So the balance amount of Rs. 3739.12 lakh has been from TCED's Own accounts and is receivable from DUA.

Table 10**Pension disbursements and receivable from DUA**

Month	Pension	Pension Arrear	DCRG	Commutation	Total for the year	Allotment from DUA	Arrears for the year
	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh
2008-09 (from Jan 2008)	171.51	0.00	0.00	0.00	171.51	0.00	171.51
2009-10	157.69	0.00	8.86	8.57	175.12	0.00	175.12
2010-11	192.18	0.00	16.34	17.67	226.20	6.61	219.59
2011-12	373.97	0.00	4.98	1.99	380.94	0.00	380.94
2012-13	352.55	0.00	16.67	14.63	383.86	339.02	44.83
2013-14	423.64	0.00	19.61	22.95	466.20	21.39	444.81
2014-15	424.32	0.00	27.40	21.74	473.46	0.00	473.46
2015-16	607.87	0.00	21.97	13.13	642.97	98.25	544.72
2016-17	497.47	1.44	15.73	6.95	521.59	0.00	521.59
2017-18	534.20	99.89	23.41	36.05	693.55	829.68	-136.13
2018-19	600.74	100.91	219.62	158.89	1080.17	181.49	898.68
2019-20	644.94	82.15	123.51	105.22	955.82	0.00	955.82
2020 (upto June)	167.96	0.00	7.00	7.97	182.93	0.00	182.93
Total					6354.31	1476.45	4877.86

28. The Commission examined the details furnished by TCED on the pension contribution and disbursements. As per the details furnished by the licensee there is gross shortage of allocation from DUA and accordingly, the pension disbursements are made from the regulatory surplus, which is not a desirable trend. The Commission notes that, the pension disbursement for the year 2018-19 and 2019-20 are substantially higher than disbursement of previous years. The Commission once again reiterates that it is not the responsibility of TCED to disburse pension and other terminal benefits to its retired employees. The Commission is also unable to exercise any prudence check to assess the correctness of these disbursements for want of the number of pensioners and pensioner-wise disbursement of these payments. The Commission notes with severe concern that Rs.48.78 crore is the pending dues of pension disbursed unauthorizedly and irregularly on behalf of the LSG Department. Such huge outstanding is bound to adversely impact the licensee's operational requirements and its cash flows. ***TCED is therefore directed to furnish the details of number of pensioners, disbursement details and the last department in which the retired person have served from 2015-16 onwards to assess the correctness of the claim. The details have to be furnished within 2 months of the date of this Order.***

29. The Commission also notes that at present the pension contribution is not being remitted to DUA and adjusted against the arrears receivable. This is contrary to the service condition and rules and shall adversely affect the staff and officers regarding their pension claims in future. In any case, as per the Government Order dated 4-3-2016, the deficit in the amount is to be met from the 'Own funds' of the Local Bodies. Hence, the licensee shall take effective measures to realise these amounts from the 'Own funds' of Thrissur Corporation. ***The licensee should also furnish the year wise details of pension contribution with held from remitting to DUA and adjustment against the arrears receivable from DUA.***
30. ***The Commission notes that the major areas of deviation from the norms are on salary, wages and employer contribution for pension. The Commission is of the view that the licensee should limit the expenses to the approved level by curtailing the non-permanent components of employee costs. After duly considering the details furnished by the licensee, the employee cost for the year 2018-19 is approved as per norms at Rs.1092.60 lakh.***

Repair and Maintenance Charges

31. The Repair and Maintenance (R&M) cost incurred by the licensee for the year 2018-19 is Rs.95.356 lakh for the repair and maintenance as against the approved cost of Rs. 82.01 lakh. The licensee's claim on this account is higher than the norms as per KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018. The claim made by the licensee in their truing up petition is given below:

**Table 11
Details of R&M expenses for the year 2017-18 & 2018-19**

Particulars	2017-18		2018-19	
	As per Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)
Plant & Machinery	16.92	70.81	82.01	3.89
Other civil works	0.40			-
Lines and cable networks	65.69			77.03
Vehicles	3.09			1.38
Furniture & fixtures	0.12			1.18
Office Equipment	4.56			11.88
Grand Total	90.78	70.81	82.01	95.36

32. The licensee has included as a part of the R&M expenses the materials used from the store for maintenance, labour cost and substation maintenance expenses. It seen that R&M of office equipment is much higher than in 2018-19 compared to previous year and R&M of plant & machinery is substantially decreased in 2018 -19 compared to the previous year. The licensee has not explained the reasons for deviation/increase over the previous year or norms.
33. The major item of R&M expense is on account of lines, cable and networks of Rs.77.03 lakh. The licensee's submitted split up details under lines and cable network which is tabulated below.

Table 12
Details of Lines and Cable Network Expenses for the year 2018-19

Items	Amount (Rs. lakh)
Store Consumption	50.79
Labour Cost	11.23
Conductor Change	14.75
Solar R&M	0.25
Total	77.02

34. In their clarifications dated 15-07-2020, the licensee stated that though extra ordinary expenses was incurred due to floods in the year 2018-19, the same is not included in the truing up accounts for 2018-19. This amount will be included in the year 2019-20. Regarding R&M of office equipment, the licensee stated that the same is for normal annual maintenance cost and other payments for maintenance of computers and equipment. The higher amount is also due to the changes made in the software for tariff revision, meter rent change and other changes made in 2018-19.
35. The Commission has examined the details furnished by the licensee. As per the Tariff Regulations, 2018, the R&M expenses approved for the year is Rs.82.01 lakh. The actual R&M expense for the year 2018-19 is Rs.95.36 lakh. The R&M expense for 2018-19 is about 5.03% higher than the previous year (Rs.90.79 lakh for 2017-18). The licensee could not explain the reason for increase in R&M expenses for the year. As per the provisions of the Regulations, there is provision for allowing onetime expenses incurred, not in the nature of regular R&M expenses. Since there is no convincing reasoning for higher expenses, **the Commission, has approved the R&M expense for the year 2018-19 as per norms (Rs.82.01 lakh)**

Administration and General Expenses

36. The A&G expense claimed by the licensee as per the petition for truing up was Rs 400.92 lakh as against the approved amount of Rs.79.66 lakh in the order on ARR&ERC. A&G expenses include various items such as rent, rates and taxes, insurance, telephone charges, internet and related charges, legal charges, audit fees, consultancy charges, printing and stationery, advertisement charges, statutory fee including payments to KSERC etc.

Table 13
Details of A&G Expense for the year 2017-18 and 2018-19

Particulars	2017-18		2018-19	
	As per Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)
Rents, rates and taxes	172.03	0.00	79.66	172.03
Insurance	2.62	2.62		2.61
Telephone telex charges, etc	4.75	4.75		5.78
Legal charges	2.50	2.50		2.59
Consultancy charges	1.86	1.86		0.72
Technical fee	-	-		-
Other Professional charges	5.38	5.38		5.78
Conveyance and Vehicle Exp	4.61	4.61		12.92
KSERC Charges	4.55	4.55		13.95
Training to Staff	2.03	2.03		2.07
Other expenses	13.31	13.31		14.34
Self Consumption	9.76	9.76		10.14
Section 3 Duty	84.48	-		85.13
Printing & stationery	8.62	8.62		8.73
Advertisements	2.80	2.80		5.00
Miscellaneous expenses	2.82	2.82		2.59
Book & Periodicals	0.01	0.01		0.01
Bank charges	0.80	0.80		0.01
UJALA LED expense	71.76	71.76		-
Housing Loan	-	-		6.51
Flood Donation	-	-	50.00	
Grand Total	394.69	138.17	79.66	400.92

37. As per the details furnished by the licensee, the major components of A&G expense are on account of Rent, Rates & Taxes (Rs.172.03 lakh), Section 3(1) duty (Rs.85.13

lakh) and Flood Donation Rs.50.00 lakh. Further, Rs.14.34 lakh is claimed as Other Expenses, which include Rs.8.54 lakh as security staff wages, Rs.0.036 lakh for Pooram expense, Rs.1.55 lakh for diesel for generator, Rs.3.89 lakh for water bill payment, Rs.0.23 lakh for CGRF sitting fee and Rs.0.081 lakh for photostat, postage etc. A&G expenses excluding Section 3 duty, Rent, Donation and housing loan is only Rs.87.25 lakh. Other professional charges claimed is Rs.5.78 lakh includes the payment of inspection fees and relay testing fee in substations paid to KSEB Ltd's testing facilities.

38. The conveyance charges, advertisement and licensee fee and other related fees under the head A&G expense during the year 2018-19 is higher compared to 2017-18. In reply to the clarifications sought by the Commission, the licensee stated that the conveyance charges increased due to hiring of additional vehicles used for maintenance work during the floods in 2018-19. The licensee has also furnished reason for increasing advertisement charges. As per the provisions of store purchase manuals, advertisements have to be published in national dailies for inviting tenders of value above Rs.10 lakh. The other related fees increased due to regulatory expenses on account of ARR filing fees paid during the year. Regarding housing loan, licensee submitted that, the amount is already written off after seeking proper administrative sanctions from Corporation council before 2008 and this amount is claimed in current year for written off from accounts.

39. The Commission has carefully considered the major expenditure heads as follows:

40. Rent, rates & taxes:-The licensee has claimed Rs.172.03 lakh under Rent, Rate and Taxes. The Commission notes that till 2014-15, the Commission had approved the rent at 10% of the claim i.e., Rs.17.20 lakh since M/s TCED could not substantiate the claim properly. In the Order on truing up the accounts for the year 2017-18 the Commission directed the licensee to finalize the rent for the building charged by the Corporation and furnish the results thereof to the Commission for consideration within three months. The Commission also mentioned that unless the matter is finalized within time frame, the Commission may consider not approving the Rent component in future. Accordingly, the approval of Rent under A&G expenses for the year 2017-18 is deferred.

41. In the reply furnished by the licensee, it is stated that as per the direction of the Commission, M/s TCED had given the direction to the Revenue officer to finalize rent component before 01/07/2020, but due to COVID-19 department was closed and the officials were quarantined. So the rent issue is not yet finalized by TCED. The

Commission notes the reply of the licensee. Considering the extra ordinary situation on account of Covid-19, the Commission is of the view that enlargement of time is to be given to the licensee for complying with the directions issued by the Commission. Therefore the Commission decided to continue the same decision as per the order dated 28/04/2020 and ***the approval of Rent under A&G expenses for the year 2018-19 is deferred.***

- 42.** Electricity duty under Section 3 of the Electricity Duty Act: - The licensee has booked Rs.85.13 lakh towards Electricity Duty. The Commission in the previous orders had stated that ***duty under Section 3 cannot be passed on to the consumers in view of the statutory provisions of the Kerala Electricity Duty Act, 1963. Hence the same is disallowed.***
- 43.** Flood Donation: The licensee has claimed an amount of Rs.50 lakh for the donation to CMDRF and it is further stated that TCED paid the amount from owned fund as per the Govt order. The contribution for CMDRF is to be met from the own funds of TCED. If the same is included in the truing up of accounts, it will be passed on to the consumers. Hence, ***the Commission does not approve this item under A&G expenses.***
- 44.** Other Expenses: The licensee has claimed an Rs.14.34 lakh as Other Expenses, which include Rs.8.54 lakh as security staff wages, Rs.0.036 lakh for Pooram expense, Rs.1.55 lakh for diesel for generator, Rs.3.89 lakh for water bill payment, Rs.0.23 lakh for CGRF sitting fee and Rs.0.081 lakh for photostat, postage etc. The Commission observes that, the major items under other expenses are security staff wages and water bill payment for which details are not available. ***The Commission hereby directs that, the licensee shall furnish the deployment details of security staff and water bill payment for the consideration of the Commission within two months from the date of issue of this Order, failing which, these amounts shall stand disallowed. Till such time the approval of security staff wages and water bill payment expenses for the year 2018-19 is deferred. The Commission hereby approves Rs.1.91 lakh as other expenses (excluding security staff wages (Rs.8.54 lakh) and water bill payment (Rs.3.89 lakh) total into Rs.12.43 lakh) for the year 2018-19.***
- 45.** Housing loan: As per the details furnished by the licensee vide letter dated 15-7-2020, an amount of Rs. 6.5 lakh of housing loan was recorded as receivable in the books of accounts, whereas the same was written off in the year 2008 itself, after receiving proper approval from the Corporation Council. Since the amount is already written off, there is no necessary to allow the same in the truing up process.

Table 14
Approved A&G expenses for 2018-19

Particulars	2018-19
	Approved in Trued up
	(Rs. lakh)
Insurance	2.61
Telephone telex charges, etc	5.78
Legal charges	2.59
Consultancy charges	0.72
Other Professional charges	5.78
Conveyance and Vehicle Exp	12.92
KSERC Charges	13.95
Training to Staff	2.07
Other expenses	1.91
Self Consumption	10.14
Printing & stationery	8.73
Advertisements	5.00
Miscellaneous expenses	2.59
Book & Periodicals	0.01
Bank charges	0.01
Grand Total	74.81

46. A&G expenses excluding Rent, Section 3(1) duty, housing loan write off, Flood donation, security staff wages and water bill payment expenses is Rs.74.81 lakh. Considering the controllable nature of the A&G expenses, the Commission hereby allows the A&G expenses of Rs.74.81 lakh.

Depreciation

47. The licensee in the petition has claimed depreciation in the straight-line method as per the KSERC (Terms and Conditions for determination of tariff) Regulations 2018. The licensee has claimed depreciation of Rs.241.82 lakh as against Rs.198.81 lakh approved in ARR&ERC for the year 2018-19. The Commission while truing up the accounts for the year 2017-18 had approved depreciation of Rs.238.33 lakh. The licensee has claimed proportionate depreciation for the asset addition during the year. The details of the depreciation claim made by the licensee are shown below.

Table 15
Depreciation claimed for the year 2018-19

Particulars	2018-19 (Rs. lakh)			
	GFA as on 01-04-2018	Asset Additions	Adjustment & Deductions	Depreciation
Distribution lines	2253.82	65.10	1.06	69.43
Sub-Station Equipment	2825.24	197.97	0.54	110.48
Furniture & Fixtures	16.53	4.64	-	0.83
Office equipment's	121.11	5.73	-	2.88
Departmental vehicles	53.68	-	-	3.77
Land & land rights	23.39	-	-	-
Building	107.74	12.19	-	3.80
Meter	593.22	-	-	31.32
Software	23.62	-	-	3.54
IT Equipment's	101.53	7.27	-	15.77
Total	6,119.88	292.90	1.60	241.82

48. The licensee has made an asset addition of Rs.292.90 lakh for the year 2018-19. The split up details of the asset additions made in 2018-19 is shown below.

Table 16
Asset Addition during the year 2018-19

Particulars	Rs. lakh
Building	12.19
Solar PV	93.71
Office Equipment	5.73
IT Equipment	7.27
Office F&F	4.64
AB Switch 400 A	0.50
Cable End Kit 300 XLPE/HS Outdoor	0.70
R.M.U -3 way CTC (1 Breaker & 2LBS)	69.66
R.M.U -4 way CTC (1 In & 4 Out)	12.70
Transformer 160 KVA	6.51
UG Cable 300	61.74
Cable End Kit 3*300 mm	0.20
Cable End Kit 3*300 mm 2 indoor	1.03
Cable End Kit 4*300 mm 2	0.84

Particulars	Rs. lakh
Numerical O/c + E/F Relay	0.57
UG Cable 35 Sq.mm 4 Core	0.14
UG Cable 95 Sq.mm 3.5 Core	0.46
Battery 2V100AH	5.83
Battery 2V100AH	8.45
Total Asset Addition	292.90

49. The capital asset addition is inclusive of a total 150kWp roof top solar PV Plant and the other capital items belongs to the distribution network i.e., transformers, meters and poles, which are capitalised at the time of purchase. According to the licensee, no depreciation has been provided on assets created out of consumer contribution. Depreciation claimed for consumer contribution in the previous years has also been reversed in this truing up petition since TCED noted that the depreciation claimed in the previous years was not reversed at the time of assets used for consumer contribution. The details of assets created out of Consumer Contribution is given below:

Table 17
Assets created out of Consumer Contribution for the year

Items	Amount (Rs. lakh)
Plant and Machinery	4.72
Underground lines (cables)	11.58
Overhead lines (lines)	6.65
Total	22.95

50. The Commission has examined the details furnished by the licensee. Of the total asset addition during the year, the major component is the 150KWp roof top solar PV system commissioned during the year.

Table 18
Details of Assets of Solar PV plant commissioned during the year

Items	No. of item	Amount (Rs. lakh)
SOLAR PV MODULES	466.00	58.79
String inverter 50kw	2.00	10.91
String inverter 25kw	2.00	5.92

Items	No. of item	Amount (Rs. lakh)
Module mounting structures	11.50	11.58
String combiner box 50KW	2.00	0.87
String combiner box 25KW	2.00	0.60
DC Cable	1.00	0.83
Computer	1.00	0.60
OFC cable	200.00	0.32
Modem	1.00	0.03
inverter panel	3.00	0.81
3.5C 185sq.mm AYFY cable paravattany	100.00	0.87
3.5C 50sq.mm AYFY cable paravattany	50.00	0.17
3.5C 35sq.mm AYFY cable paravattany	150.00	0.42
Cable End Termination	14.00	0.24
Earthing & Lightning Protection	1.00	0.77
Total		93.71

51. As per the details furnished by the licensee the solar PV system of 100kW installed in Paravattani store, 25kWp each installed in 33kV substation and treasury building totalling to 150kWp and commissioned in October 2018. The licensee has capitalised Rs.93.71 lakh showing the average per kW cost works out to Rs.62,470. As per the MNRE approved benchmark cost dated 15-06-2018 for projects above 10kW upto 100kW is Rs.55000/kW, whereas it is Rs.65000/kW as per the notification dated 17-3-2017. The benchmark cost is inclusive of total system cost and its installation, commissioning, transportation, insurance, five year AMC/CMC and applicable fees and taxes. The licensee has invited the tenders for the works during January 2018 and the work was awarded in May 2018. Since the average rate per kW is lower than the benchmark cost applicable during the year, the Commission approves the same for the purpose of capital additions.

52. The Commission notes that the licensee has not included the depreciation for the assets created out consumer contribution. As per the details furnished by the licensee, the asset addition for the year excluding consumer contribution is Rs.269.95 lakh (Rs.292.90 lakh – Rs.22.95 lakh). Further, depreciation has been accounted as per the rates given in the Tariff Regulations. The licensee has also furnished the copy of the Asset Register as part of the clarifications. **Considering this, the Commission approves depreciation of Rs.241.82 lakh as claimed by the licensee.**

Interest and Finance Charges

53. The licensee had claimed interest and finance charges of Rs. 220.07 lakh for the interest on security deposits at an interest rate of 6.25%. The Commission had approved an amount of Rs.224.64 lakh in the Order on ARR&ERC for the year. The licensee has further stated that the total amount of interest charges paid to the consumers on the security deposits in the financial year is Rs.187.62 lakh. Since the interest payable on consumer's security deposit is accounted on accrual basis and interest expense for the financial year is payable only during the first quarter of the next financial year, there is a difference in the amount booked and the actual disbursement. While truing up of 2017-18, the Commission approved only the actual interest of Rs.159.98 lakh paid to consumers for security deposits.
54. As per the provisions of the Kerala Supply Code the licensee is bound to provide interest on the security deposit collected from consumers. The Commission has been taking the consistent stand that, the actual disbursement of interest on security deposit during the year can only be allowed in the process of truing up. ***Accordingly, for the purpose of truing up, the Commission approves the interest paid to consumers for security deposits of Rs.187.62 lakh for the year 2018-19, under interest and financing charges.***

Return on Equity/Net Fixed Assets

55. The licensee had claimed Return of Rs.93.61 lakh in the petition for truing up for the year 2018-19. The Commission had approved a return of Rs.73.50 lakh in the order on ARR&ERC which was 3% of the net fixed assets. The licensee has stated that the claim is 3% of the net fixed assets at the beginning of the year excluding the consumer contribution. While truing up the accounts for the year 2017-18, the Commission had approved an amount of Rs.88.47 lakh as claimed by the licensee. The details are given below:

Table 19
Return on Equity for the years 2017-18 and 2018-19

Particulars	2017-18 Trued Up (Rs. lakh)	2018-19 As per Truing Up Petition (Rs. lakh)
Gross Fixed Assets as on 1 st April	5681.78	6119.87
(Less) Cumulative Depreciation as on 1 st April	(2271.64)	(2509.21)
Net fixed assets at the beginning of the year	3410.14	3610.66
(Less) Fixed Assets financed by Consumer contribution at the beginning of the year	(461.07)	(490.35)
Balance Net Fixed assets on which Returns can be allowed	2949.07	3120.31
3% on Net fixed assets	88.47	93.61

56. The Commission has examined the claim of the licensee; *the return on NFA excluding consumer contribution approved for 2018-19 is Rs.93.61 lakh.*

Revenue from sale of power

57. The total revenue from sale for power is Rs.11650.79 lakh for 1449.00 lakh units against approved revenue from sale of power of Rs.11918.55lakh for 1494.80 lakh units as approved in the Order on ARR.As per the petition, the major revenue is from the sale to the non-domestic and high tension category of consumers. Compared to the previous year there is an increase in the sales and the revenue from the sale. A category wise comparison of the revenue from sale of power for the years 2017-18& 2018-19 is as shown below

Table 20
Details of revenue from sale of power for 2017-18& 2018-19

Category	2017-18 As per Truing Up Petition (Rs. lakh)			2018-19 As per Truing Up Petition (Rs. lakh)		
	Sale lakh units	Revenue from sale	Average Realisation	Sale lakh units	Revenue from sale	Average Realisation
Domestic	396.80	2062.41	5.20	398.80	2092.73	5.25
Non-domestic	530.80	5151.23	9.70	546.20	5308.08	9.72
Agricultural	0.70	2.09	2.99	0.80	2.34	2.93
Industry	36.60	239.63	6.55	34.90	231.01	6.62
Street Lighting	18.60	72.90	3.92	17.80	70.56	3.96
High Tension	452.50	3948.89	8.73	449.10	3935.93	8.76
Self-Consumption	1.40	9.76	6.97	1.40	10.14	7.24
Total	1437.30	11486.91	7.99	1449.00	11650.79	8.04

58. There is an increase in the sale and revenue from sale of power in 2018-19 compared to 2017-18. There is also an increase in average realization from most of the consumer categories. As per the petition, the major share of the sale of 995.30 lakh units is to the Non-domestic and HT category and accounts for about 68.69% of total sale of power. The licensee further stated that the energy consumed by street light has been included in sale of power and is charged to the Corporation's Current Account
59. The Commission directed the licensee in order dated 28-4-2020 that, the licensee shall account the self-consumption as per the respective retail tariff in force and not at the average power purchase rate. In this regard the licensee submitted that, self-consumption income is recorded as per the tariff of respective class.
- 60. Considering the actual revenue realized for the year, Commission approves Rs.11650.79 lakh as the revenue from sale of power for 2018-19.**

Non-Tariff Income

61. The non-tariff income accounted by the licensee for the year 2018-19 is Rs 833.03 lakh as against the approved amount of Rs 1151.10 lakh. The split-up details of Non-Tariff income claimed by the licensee is shown below:

Table 21
Details of Non-Tariff income for the year 2017-18 and 2018-19

Particulars	2017-18 As per Truing Up Petition (Rs. lakh)	2018-19 As per Truing Up Petition (Rs. lakh)
Interest from SD, FD and bank balances	547.38	439.35
Interest Income from security deposit	52.01	48.16
Interest on delayed or deferred payment	68.57	88.27
Commission for collection electricity duty	9.88	9.98
Meter Rent/Service Line Rental	72.94	55.91
Income from sale of scrap etc.	64.11	58.80
Miscellaneous Charges	92.22	115.12
Recovery of theft and pilferage of energy	14.19	17.03
UJALA LED Income	73.28	0.41
Grand Total	994.58	833.03

62. As seen above, the major share of non-tariff income is from interest from SD, FD and bank balance. Compared to the previous year, it is noted that income from SD, FD & bank balance and income from meter/metering equipment/service line rentals is reduced in 2018-19.
63. According to the licensee, meter rent has been reduced to Rs.6 per month for single phase connection, Rs.15 per month for three phase connection and Rs.13 per month for C.T meters in the year 2018-19. The reduction in meter rent has resulted in reduction in income from meter rent. During the year 2018-19, the licensee had closed some fixed deposits for remitting the power purchase bills, which lead to reduction in interest income from SD, FD and bank balance.
64. As per the details in the petition, the licensee has not availed any loans for creation of assets and the asset additions are made from TCED's own funds. Considering the request of the licensee while truing up of accounts for 2017-18, the Commission has allowed to reduce the accumulated surplus to the tune of asset addition, while computing the interest income. Accordingly, in the truing up of accounts for 2017-18, the accumulated revenue surplus for the purpose of interest charges was considered as Rs.12832.34 lakh (Rs.11847.34 lakh + Rs. 985.00 lakh)..Similarly, the request of the licensee that amount utilized for pension disbursements as per the order of the Government from the accumulated surplus is also to be deducted for arriving at the interest charges.
65. During this year also the licensee has made an asset addition of Rs.269.95 lakh from own funds. Hence the same is deducted from the accumulated surplus and interest on accumulated surplus is estimated for the balance amount of Rs.12562.39 lakh.
- 66. As per the details furnished by the licensee, an amount of Rs.3739.12 lakh was disbursed for pension from the accumulated surplus. Accordingly the interest on accumulated surplus is considered for the balance amount of Rs.8823.27 lakh**
67. The interest computed at an interest rate of 8.70%, considering the base rate of SBI as on 01-04-2018. The interest charges work out to Rs.767.62 lakh, whereas the licensee has already accounted Rs.439.35 lakh as interest under non-tariff income. Since Rs.439.35 lakh have already been accounted, the balance amount of Rs.328.27 lakh has been included under non-tariff income. **Accordingly, the non-tariff income approved for the purpose of truing up of accounts for the year 2018-19 is Rs.1163.30 lakh (Rs.833.03 lakh+ Rs 328.27lakh).**

Revenue Surplus/gap after Truing up of Accounts 2018-19

68. Based on the above the approved expense and revenue after truing up for 2018-19 is given below:

Table 22
Aggregate Revenue Requirements after truing up for 2018-19

Particulars	2018-19		
	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)	Approved in Trued Up (Rs. lakh)
Revenue from Sale of Power	11918.55	11650.79	11650.79
Other Income	1151.10	833.03	1163.30
Total Income	13069.65	12483.82	12814.09
Purchase of Power	10518.48	10353.93	10273.24
R&M Expenses	82.01	95.36	82.01
Employee Cost	1092.60	1141.65	1092.60
A &G Expenses	79.66	400.92	74.81
Interest & Finance Charges	224.64	220.07	187.62
Depreciation	198.81	241.82	241.82
Return on Equity	73.50	93.61	93.61
Total Expenditure	12269.71	12547.36	12045.71
Net Surplus/(Deficit)	799.94	(63.55)	768.38

Orders of the Commission

69. The Commission after considering the petition filed by M/s.TCED for truing up of accounts for the year 2018-19, objections raised by KSEB Ltd. and the clarifications and details provided by the licensee approves the following:

- a. Total revenue is Rs.**12814.09** lakh
- b. Total expenditure is Rs.**12045.71** lakh
- c. The provisional revenue surplus for the year is **Rs.768.38** lakh. The said surplus is subject to the observations and directions given in para 41 & 44.
- d. The cumulative revenue surplus till 2018-19 will be **Rs.14657.80** lakh (Rs.13889.42 lakh + Rs.768.38 lakh). The licensee shall keep the surplus arrived

at after the truing up process in a separate fund and utilize it as per orders of the Commission.

- e. The directions of the Commission mentioned in paragraph 19, 28 and 44 shall be complied within two months of the date of issue of this order.

70. With the above, the petition is disposed of. Ordered accordingly.

**Sd/-
Preman Dinaraj
Chairman**

Approved for issue,

Secretary (i/c)