

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

O.A No.20/2016

In the matter of : Application filed by KINESCO Power and Utilities Private Limited for approval of truing up of accounts for financial year 2014-15

Applicant : M/s KINESCO Power and Utilities Private Limited

Present : **Shri T.M.Manoharan, Chairman**
Shri K.Vikraman Nair, Member
Shri S.Venugopal, Member

ORDER DATED 20/03/2017

KINESCO Power and Utilities Private Limited (*hereinafter referred as KPUPL or the licensee*) has, on 26.10.2016, submitted its application for truing up of accounts for 2014-15, in accordance with the KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006 (*hereinafter referred as Tariff Regulations*). The Commission, in exercise of the powers vested in it under Section 61, Section 62 and Section 64 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by KPUPL, the matters raised during the public hearing, and all other relevant materials placed before it, orders as follows:

Background

1. KPUPL is a Joint Venture Company established under the Companies Act 1956, for the distribution of electricity in the Industrial parks of KINFRA at Kakkanad, Kalamassery and Palakkad. KPUPL is the successor of KINFRA Export Promotion Industrial Parks Limited (KEPIP), a deemed distribution Licensee as per the first Proviso of Section 14 of Electricity Act 2003. The Government of Kerala had accorded sanction for the formation of the joint venture company between KINFRA and NTPC Electric Supply Company Ltd (NESCL) vide Order G.O.(MS) No. 88/2008/ID dated 27th June 2008 with 50% equity held by KINFRA and 50% equity by NESCL. The Commission had approved the transfer of

Licence for distribution of electricity in the Industrial Parks of KINFRA at Kakkannad, Kalamassery and Palakkad from M/s.KEPIP to M/s.KPUPL as per Order dated 30.11.2009 based on an application for transfer by Licensee.

2. The Commission had, vide the order dated 12-05-2014 in petition OP No. 34/2013 (*hereinafter referred as order dated 12-05-2014*), approved the aggregate revenue requirement amounting to Rs 3951.52 lakh, expected revenue from charges amounting to Rs 4030.57 lakh and the revenue surplus of Rs 79.05 lakh, for KPUPL for the year 2014-15.
3. A comparison on the amounts of expenditure and revenue as approved by the Commission for the year 2014-15 vide the order dated 12-05-2014 and the actual claim made by the licensee as per the application for truing up is summarized below.

Table-1
KPUPL-Truing up of accounts
Comparison of ARR and Actual as per Truing up application for the year 2014-15

Particulars	ARR		Truing up	
	Projected	Approved	Claimed	Difference
Revenue from Sale of Power	3,985.52	3,985.52	4653.25	667.73
Non – Tariff Income	23.05	45.05	42.53	(2.52)
Total	4,008.57	4,030.57	4695.78	665.21
Purchase of Power	3,879.21	3,756.67	4382.47	625.80
Repairs and Maintenance	82.99	46.00	58.95	12.95
Employee costs	57.45	43.04	64.63	21.59
A & G expenses	76.92	28.69	71.88	43.19
Depreciation	84.19	67.12	89.93	22.80
Interest & financing charges	47.37	-	12.71	12.71
Return on Equity	62.70	10.00	52.27	42.27
Tax Expenses (including deferred tax)	-	-	15.71	15.71
Sub total	4,290.83	3,951.52	4748.55	
<u>Less</u> Interest charges capitalized	33.00	-	-	-
Total Expenses	4,257.83	3,951.52	4748.54	
Less net prior period charges	-	-	8.28	8.28
Surplus(+)/Deficit(-)	(-)249.26	(+)79.05	(-)44.48	

Hearing on the application

4. Hearing on the application for truing up of accounts of the licensee for the year 2014-15 was held on 07-12-2016 at the Court Room, Office of the Commission, Thiruvananthapuram. M/s KPUPL was represented by Sri. S.N.Ashok Kumar

(Finance Consultant), Sri.G.Radhakrishna Pilla (Senior Consultant) and other officers of the licensee. Sri. S.N.Ashok Kumar presented the details of the applications on the truing up of accounts and gave clarifications on the queries of the Commission.

5. KSEB Ltd. was represented by Sri.Bipin Sankar, Deputy Chief Engineer (TRAC), Smt. Mehrunisa, Executive Engineer (TRAC) and Sri.Manoj.G, Assistant Executive Engineer (TRAC). Sri.Manoj.G presented the comments of KSEB Ltd and submitted written remarks on the applications. The main issues raised by KSEB Ltd are summarised below.
 - a. The power purchase cost claimed by the licensee for the years does not tally with the bills generated by KSEB Ltd.
 - b. KPUPL has combined the power purchased at two different locations Kakkand and Kalamassery. The licensee has availed supply at BST approved by the Commission in Kakkand. However, in Kalamassery, M/s KPUPL availed an HT connection without PPA and supply was availed at the prevailing HT tariff. But, in the application for approval of truing up of accounts, KPUPL have combined both types of billing.
 - c. The Commission may kindly follow a uniform approach on the Section (3) duty claimed by the licensee.
 - d. The licensee has claimed a return on equity at the rate of 3% of the value of the net fixed assets employed at the beginning of the year. The Commission has allowed a return of Rs 10 lakh only from 2004-05 to 2008-09 on the reason that the amount of equity cannot be ascertained. The equity/rate base is still to be ascertained. Commission in the ARR orders directed the licensee to submit the documents of transfer of assets and liabilities for the approval of the Commission. The Commission may allow RoE after considering the same.
 - e. The licensee claim of employee cost for the financial years is higher than the approved levels. It may be noted that there are only two employees including CEO and the O&M activities in the area are outsourced. Hence the higher employee cost when compared to the low consumer base need to be examined.

6. The Commission directed the licensee to reconcile the cost of power purchase claimed as per the application for truing up and the same as claimed by KSEB Ltd. The Commission also directed the licensee to submit the details on the objections raised by KSEB Ltd. The Commission also mentioned that KSEB Ltd shall present their views on the asset transfer of the licensee. Neither the licensee nor KSEB Ltd has submitted its comments.

Analysis and Decision of the Commission

7. The Commission considered the application of the licensee for truing up of accounts for the financial year 2014-15, the clarifications and the additional details submitted by the licensee thereon along with the comments/ remarks of KSEB Ltd. The analysis and decisions of the Commission on the application submitted by the licensee for truing up of accounts for the year 2014-15 are detailed below:
8. **Sale of energy:** As per the order dated 12-05-2014, the energy sale approved for the year 2014-15 is 66.81 MU. The actual energy sale as per the application for approval of truing up of accounts for the year 2014-15 is 71.90MU. The details are given below.

Table-2
KPUPL- Truing up of accounts
Energy sale for the year 2014-15

Category	ARR approved (MU)	Application for truing up (MU)
HT consumers	46.98	50.66
LT consumers	12.29	14.34
Temporary connections	7.54	6.90
Total	66.81	71.90

9. The Commission approves the actual energy sales of 71.90 MU, as reported by the licensee for the purpose of truing up of accounts for the year 2014-15.
10. **Energy Input and Distribution Loss:** In the Order on ARR for 2014-15 dated 12-05-2014, the Commission had approved the distribution loss for the year 2014-15 at 1.50%, and accordingly approved the energy purchase from KSEB Ltd at 67.83 MU. As per the application for approval of truing up of accounts, the actual energy purchase from KSEB Ltd is 74.70 MU and the actual distribution loss reported is 3.76%. Distribution loss is a controllable factor. As per sub-regulation (2) of regulation 9 of the Tariff Regulations, the Commission shall approve a loss target for the year under consideration based on the opening loss levels, licensee's

filings, submissions and objections raised by stakeholders. The distribution loss as approved by the Commission in the order dated 12-05-2014 for approving the ARR&ERC for the year 2014-15 or the actuals, whichever is lower shall be used for computing power purchase/sale of power to consumers for that year. Accordingly, the loss level approved for the purpose of truing up of accounts for the year 2014-15 is 1.50% and the energy purchase (energy input to KPUPL) approved is 72.99 MU as given below.

Table-3
KPUPL-Truing up of accounts
Distribution loss and energy input for the year 2014-15

Particulars	Order on ARR	Application for Truing up	Approved in the Truing up
Energy sale (MU)	66.81	71.90	71.90
Distribution loss (%)	1.50	3.75	1.50
Distribution loss (MU)	1.02	2.80	1.09
Energy input (MU)	67.83	74.70	72.99
Additional energy purchased due to excess distribution loss (MU)			1.71

11. **Cost of Power Purchase:** As per the application for truing up of accounts, the total cost of power purchase incurred for purchasing 74.70 MU from KSEB is Rs 4382.47 lakh, including Rs 581.13 lakh towards fixed charges and Rs 3801.34 lakh towards energy charges.

Table-4
KPUPL- Truing up of accounts
Cost of power purchase for the year 2014-15

Sl No	Particulars	Order on ARR	Application for truing up
1	Energy purchase from KSEB (MU)	67.83	74.70
2	Demand charge (Rs. Lakh)	534.74	581.13
3	Energy charge (Rs. Lakh)	3221.93	3801.34
4	Total = (2)+(3) (Rs. Lakh)	3756.67	4382.47
5	Average power purchase cost(Rs./kWh)	5.54	5.87

12. As detailed under Table-4 above, though the actual quantum purchased from KSEB Ltd for the year 2014-15 is 74.70 MU. As per sub-regulation (2) of regulation 9 of the Tariff Regulations, the Commission shall approve a loss target for the year under consideration based on the opening loss levels, licensee's filings, submissions and objections raised by stakeholders. The distribution loss as

approved by the Commission in the order on ARR&ERC for the year 2014-15 or the actuals, whichever is lower shall be used for computing power purchase/sale of power to consumers for that year. Hence, cost of purchase of power due to under-achievement of distribution loss is not allowable in the power purchase cost. Accordingly the Commission approves the cost of power purchase for 72.99 MU only for the purpose of truing up of accounts for 2014-15 as shown below:

Table-5
KPUPL- Truing up of accounts
Cost of power purchase for the year 2014-15

Sl No	Particulars	Application for truing up	Truing up approval
1	Cost of power purchase (Rs. lakh)	4382.47	4382.47
2	<u>Less</u> Excess cost of power purchase due to under achievement of distribution loss (1.71 MU x Rs.5.87)		10038
3	Power purchase cost (Rs. lakh)		4282.09

13. **Interest and finance charge:** While approving the ARR for the year 2014-15, the Commission did not approve any amount under interest and finance charges. However, in the application for approval of truing up of accounts, the licensee has claimed Rs 12.71 lakh, as a provision for interest on security deposit with KSEB payable to KEPIP and interest on security deposit from consumers. The Commission notes that the licensee has been following pre-payment metering system and hence there is no scope for collecting security deposit from consumers. The licensee has not submitted any supporting documents on the interest actually paid to the consumers. The licensee stated that the amount includes the provision for interest payable to KEPIP. Earlier, KEPIP might have furnished security to KSEB for the power purchase. However, after the transfer of business, the security deposit furnished should be treated as security deposit of KPUPL. As per the provisions, KSEB has to furnish interest to KPUPL by way of cash or by way of adjustment of power purchase cost. The appropriation of the amount of interest received by the licensee will depend on the agreements between KPUPL and KEPIP. The Commission is still in the dark with respect details of financial statements between KEPIP & KPUPL. The Commission is still in the dark with regard to the details of financial settlements between KEPIP and KPUPL. Therefore, the interest on security deposit has to be necessarily included as an item of non-tariff income. Interest and finance charge, if any, claimed can be approved

only on production of documentary evidences. Therefore, the claims of interest and finance charges, which are not supported by documentary evidences, cannot be approved.

Table - 6
KPUPL- Truing up of accounts
Interest and Finance Charge approved for the FY 2014-15(Rs. lakh)

Particulars	ARR	Truing up
Claimed	47.37	12.71
Approved	-	-

14. **Depreciation:** While approving the ARR for the year 2014-15, the Commission had approved the depreciation of the licensee at Rs 67.12 against the claim of Rs.84.19 lakh. However, the claim of depreciation towards the capital investment, if any, made by the licensee without approval of the Commission cannot be considered for depreciation. Depreciation can be allowed only if the licensee has actually incurred any expenditure for acquisition or creation of assets in the financial year. Since, the transfer deed between KPUPL and KEPIP was executed only on 07.09.2016 and hitherto the licensee was managing the assets based on an agreement of operations with KEPIP, the claim for depreciation on assets transferred subsequently after many years cannot be approved to pass on to the consumers with retrospective effect. Since, the licensee has not produced the documents to substantiate the claim, depreciation cannot be allowed.

Table - 7
KPUPL- Truing up of accounts
Depreciation approved for the FY 2014-15

Particulars	ARR (Rs. lakh)	Truing up (Rs. lakh)
Claimed	84.19	89.93
Approved	67.12	-

15. **Employee Cost:** In the order dated 12-05-2014, the Commission has approved the employee cost for the year 2014-15 at Rs 43.04 lakh. However, in the application for approval of truing up of accounts, the licensee has claimed the employee cost for the year at Rs 64.63 lakh. As per the details submitted by the licensee, the employee cost claimed is for two employees of the licensee, the details of which are given below.

Table-8
KPUPL- Truing up of accounts
Salary details of the employees working for the year 2014-15

Category	working strength	Salary and other claims (Rs lakh)	Average monthly salary (Rs. Lakh)
Chief Executive Officer	1	36.75	3.06
Asst: Engineer	1	27.88	2.32

16. As per clause 15(3) of KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006. O&M Expenditure ie., employee cost, administration and general expenses, repairs and maintenance expenses and other miscellaneous expenses may be indexed to predetermined indices such as Consumer Price Index, Wholesale Price Index or a combination of both indices to 70% of CPI and 30% of WPI. For the purpose of indexing the employee cost, 2009-10 can be taken as the base year, since the new entity KPUPL has started operation in 2009-10. Accordingly, based on the submissions made by the licensee and the provisions of regulations, the Commission approves the employee costs of Rs.24.27 lakh based on the weighted average of CPI:WPI in the ratio of 70:30 as given below.

Table - 9
KPUPL- Truing up of accounts
Approved Employee costs for 2014-15 based on CPI:WPI

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh
Yearly increase at CPI:WPI basis		10.18%	8.55%	9.52%	8.57%	5.01%
Employee cost	16.25	17.90	19.44	21.29	23.11	24.27

17. **Repairs and Maintenance Charges:** In the application for ARR for the year 2014-15, KPUPL claimed R&M expenses at Rs 82.99 lakh for the year 2014-15 as against the actual R&M expense of Rs 20.58 lakh for the year 2008-09. However, the Commission had approved the R&M expenses at Rs 46.00 lakh for the year 2014-15, subject to the condition that in the truing up process prudent expenses relating to distribution function alone shall be allowed. As per the application for truing up, the actual R&M expense claimed by the licensee is Rs 58.95 lakh.
18. Based on the submissions made by the licensee, the Commission is inclined to approve the R&M expenses as per sub-regulation (3) of regulation 15 of the Tariff regulations. For the financial year 2014-15, based on the weighted average of CPI:WPI in the ratio of 70:30, the amount approved under R&M head is as given below.

Table - 10
KPUPL- Truing up of accounts
R&M expenses approved for 2014-15 (Rs Lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh
Yearly increase at CPI:WPI basis		10.18%	8.55%	9.52%	8.57%	5.01%
R&M Expense	22.52	24.81	26.93	29.50	32.02	33.63

19. **Administration and General Expenses:** While approving the ARR for the year 2014-15, the Commission had approved the A&G expense of the licensee for the year 2014-15 at Rs 28.69 lakh. In the application for truing up, the licensee has claimed the A&G expense at Rs 71.88 lakh, which include Rs 48.34 lakh towards electricity duty under section 3 of the Kerala Electricity Duty Act 1963. As per the section-3 of the Kerala Electricity Duty Act-1963, duty payable by the licensee cannot be passed on to the consumers. The relevant section of the Kerala Electricity Duty Act-1963 is extracted below.
20. The duty under Section 3(1) of the Kerala Electricity Duty Act, 1963, is a statutory levy. Section 3 of the said Act is quoted hereunder, -

“3. Levy of electricity duty on sales of energy by licensees. -
(1) Save as otherwise provided in sub-section (2); every licensee in the State of Kerala shall pay every month to the Government in the prescribed manner, a duty calculated at 6 nayepaise per unit of energy sold or a price more than 12 nayepaise per unit;
Provided that no duty under this sub-section shall be payable by the Kerala State Electricity Board on the energy sold by it to another licensee.
(2) Where a licensee holds more than one licence, duty shall be calculated and levied under this section separately in respect of each licence.
(3) The duty under this Section on the sales of energy should be borne by the licensee and shall not be passed on to the consumer.”

From the above statutory provision it can be found that, -

- (i) the electricity duty under Section 3 (1) of the Kerala Electricity Duty Act, 1963, is payable by the licensee to the Government

- (ii) the duty shall be calculated at the rate of 6 paise per unit of energy which is sold at a price of more than 12 paise per unit.
- (iii) duty shall be calculated only on the energy sold.
- (iv) the duty paid by the licensee under Section 3 (1) cannot be passed on the consumer and therefore it cannot be claimed as an expenditure in the ARR.

21. Thus, the amount of electricity duty under Section 3 (1) of the Kerala Electricity Duty Act,1963, cannot be admitted as an item of expenditure in view of the above statutory provisions. Accordingly, the A&G expenses worked out as per the sub-regulation (3) of regulation 15 of the Tariff Regulations, for the financial year 2014-15 based on the weighted average of CPI:WPI in the ratio of 70:30 as given below.

Table - 11
KPUPL- Truing up of accounts
A&G expenses approved for 2014-15 (Rs Lakh)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh	Rs.lakh
Yearly increase at CPI:WPI basis	10.18%	8.55%	9.52%	8.57%	5.01%
A&G Expense	23.33	25.33	27.74	30.11	31.62

22. **Return on Equity:** While approving the ARR&ERC for the year 2014-15, the Commission had approved Rs 10 lakh as return on investment for the year 2014-15. In the application for truing up, the licensee has claimed return at 3% on the net fixed assets at the beginning of the year 2014-15. However, in 2014-15 the licensee did not have any asset and the licensee was operating with an agreement of operations with KEPIP. The asset transfer agreement was entered into by the licensee on 7-9-2016. The licensee has not provided any details on the settlement of consideration nor the financial plans. If the licensee had actually invested any amount as equity, return on such amount of equity can be approved. The Commission is, therefore, of the considered view to allow Rs.10 lakh as return on equity for the financial year 2014-15 for the purpose of truing up of accounts.
23. **Tax Expenses:** While approving the ARR for the year 2014-15, the licensee has not claimed any tax expenses for the year 2014-15 and the Commission also not approved any tax liability. In the application for truing up, the licensee has claimed Rs 15.71 lakh as tax expenses. But the licensee has not submitted any explanation

on the same. Though tax is an uncontrollable item, without necessary and sufficient details with supporting documents, the Commission cannot approve the tax liability, as claimed by the licensee for the year 2014-15. Hence the claim of tax liability is not approved.

24. **Total Expenses:** - Based on the submissions made by the licensee in the application for truing up of accounts, responses during the hearing, comments made by KSEB Ltd, the analysis and the decision of the Commission the total expenses approved for the purpose of truing up of accounts for the financial year 2014-15 including the return on equity are tabulated hereunder.

Table - 12
KPUPL –Truing up of accounts
Aggregate Revenue Requirement approved for the year 2014-15

Particulars	ARR Approved (Rs.lakh)	Truing up	
		Claimed (Rs.lakh)	Approved (Rs.lakh)
Power Purchase cost	3756.67	4382.47	4282.09
Repair & Maintenance	46	58.95	33.63
Employee costs	43.04	64.63	24.27
A & G Expenses	28.69	71.88	31.62
Depreciation	67.12	89.93	-
Interest & Finance Charges	-	12.71	-
Tax Expenses		15.71	-
Return on equity	10.00	52.27	10.00
Total Expenses	3951.52	4748.55	4381.61

25. **Revenue from Sale of Energy:** In the order dated 12-05-2014, the Commission had approved the revenue from sale of 66.81 MU at Rs 3985.52 lakh at the average revenue realization of Rs 5.97/unit. In the application for approval for truing up of accounts, the licensee has claimed revenue from sale of 71.90 MU as Rs 4653.25 lakh at the average realization of Rs 6.47/unit. The details are given below.

Table-13
KPUPL-Truing up of accounts
Revenue from sale of power approved for the year 2014-15

Sale of Power	ARR order			Application for truing up		
	Sale (MU)	Revenue (Rs. Lakh)	Avg. realization (Rs/unit)	Sale (MU)	Revenue (Rs. Lakh)	Avg. realization (Rs/unit)
HT/DHT Consumers	59.26	3541.18	5.96	65.01	4074.37	6.27
LT Consumers	7.54	443.30	5.88	6.89	577.72	8.38
Temp. Connections						
Total	66.80	3984.48	5.96	71.90	4652.09	6.47
Recovery of electricity duty and other State levies					132.51	
Gross Revenue from sale of Power					4784.60	
Less						
Electricity duty collected u/s 4 of Kerala Electricity Duty Act and payable to Govt.					115.06	
Other State levies					16.29	
Net Revenue from sale of power					4653.25	

26. The licensee has reported an amount of Rs.4784.60 lakh towards gross revenue from sale of energy for the financial year 2014-15. The licensee has reported that Rs.115.06 lakh and Rs.16.29 lakh are payable towards electricity duty and other state levies. Therefore, the revenue from sale of energy for the purpose of truing up of accounts for the financial year 2014-15 is Rs.4653.25 lakh as shown below.

Table - 14
KPUPL – Truing up of accounts
Revenue from sale of energy approved for the year 2014-15

Particulars	ARR (Rs.lakh)	Truing up (Rs.lakh)
Claimed	3985.52	4653.25
Approved	3985.52	4653.25

27. **Non-Tariff Income:** The non-tariff income includes interest on investments in fixed deposits as well as miscellaneous receipts. The details of non-tariff income is reported below:

Table - 15
KPUPL – Truing up of accounts
Details of Non-Tariff income reported by the KPUPL for the year 2014-15

Particulars	Rs.lakh
Interest on Bank Fixed Deposits	25.10
Misc. recoveries	11.66
Interest from Income tax refunds	5.77
Total	42.53

28. Non-tariff income as per the truing up application for 2014-15 is Rs.42.53 lakh against the approved amount of Rs.45.05 lakh. As mentioned earlier, the licensee has to receive interest on the security deposit furnished to KSEBL and the same has to be accounted as non-tariff income. The licensee has booked Rs.12.71 lakh as the interest on this item under interest and financing charges. The same is to be considered as non-tariff income. Further, the interest on the accumulated surplus of Rs. 3707.35 lakh for the years from 2004-05 to 2013-14 is not accounted by the licensee under this head. Therefore, interest at the rate of 9% on the accumulated surplus of Rs.3707.35 lakh ie., Rs.308.56 lakh is to be accounted after deducting the interest on bank fixed deposits booked by the licensee amounting to Rs.25.10 lakh. The Commission, therefore, approves an amount of Rs. 363.80 lakh towards non-tariff income for the purpose of truing up of accounts for the financial year 2014-15 as detailed below.

Table - 16
KPUPL – Truing up of accounts
Details of Non-Tariff income approved for the year 2014-15

Particulars	Claimed (Rs.lakh)	Approved (Rs.lakh)
Interest on Bank Fixed Deposits	25.10	25.10
Other miscellaneous receipts	11.66	11.66
Interest from income tax refunds	5.77	5.77
Interest on security deposit held with KSEB		12.71
Interest on accumulated surplus less interest on bank deposits (Rs.333.66 lakh – Rs.25.10 lakh)		308.56
Total	42.53	363.80

29. **Revenue Surplus/(gap):** The Commission after duly considering the application of the licensee for truing up of account for the year 2014-15, clarifications and the additional details submitted by the licensee thereon along with the comments/objections of KSEB Ltd, the revenue surplus approved for truing up of accounts for the financial year 2014-15 is tabulated below:

Table - 17
KPUPL- Truing up of accounts
Revenue Surplus for the year 2014-15 after truing up

Particulars	ARR Approved (Rs.lakh)	Truing UP	
		Claimed (Rs.lakh)	Approved (Rs.lakh)
Revenue from Sale of Power	3,985.52	4,653.25	4,653.25
Non – Tariff Income	45.05	42.53	363.80
Total Revenue	4,030.57	4,695.78	5,017.05
Power Purchase cost	3,756.67	4,382.47	4,282.09
Repair & Maintenance	46.00	58.95	33.63
Employee costs	43.04	64.63	24.27
A & G Expenses	28.69	71.88	31.62
Depreciation	67.12	89.93	-
Interest & Finance Charges	-	12.71	-
Tax Expenses	-	15.71	-
Return on equity	10.00	52.27	10.00
Total Expenses	3,951.52	4,748.55	4,381.61
Revenue Surplus(+)/Deficit(-)	(+)79.05	(-)52.77	(+)635.44

30. The revenue surplus for the year 2014-15 after truing up of accounts is Rs.635.44 lakh as against a revenue gap of Rs.52.77 lakh presented by the licensee as per the truing up application. The accumulated revenue surplus after truing up till 2014-15 is Rs.4342.79 lakh, which includes Rs.635.44 lakh after the truing up for 2014-15.

Orders of the Commission

31. After considering the application for approval of truing up of accounts of M/s KPUPL, the clarifications thereon, comments of the KSEB and the explanations thereon submitted by the M/s KPUPL, the Commission hereby arrives at a revenue surplus of Rs.635.44 lakh for the year 2014-15 after the truing up of accounts. The accumulated surplus at the end of the financial year 2014-15 is Rs.4342.79 lakh including the revenue surplus of Rs.636.59 lakh approved in this order.
32. The application is disposed of, ordered accordingly

Sd/-
K. Vikraman Nair
Member

Sd/-
S. Venugopal
Member

Sd/-
T.M. Manoharan
Chairman

Approved for issue

Santhosh Kumar.K.B
Secretary