

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

Application No : **OA 12/2017**

In the matter of : Application for the approval of revised ARR & ERC for the year 2017-18 filed by M/s Infopark as per the provisions of KSERC (Terms and Conditions for Determination of Tariff) Regulations 2014.

Applicant : M/s Infoparks Kerala

PRESENT : **Shri. S. Venugopal, Member**
Shri. K.Vikraman Nair, Member

ORDER DATED 26/07/2017

1. M/s. Infoparks, Kerala, Kochi (*hereinafter referred to as the licensee or Infopark*) a Government of Kerala undertaking, engaged in the development of infrastructure for information technology (IT) and information technology enabled services (IT enabled Services) is the applicant. Infopark was granted distribution licence vide order dated 10-5-2010 of the Commission and the electricity distribution operations commenced on 1-7-2013. The Infopark Phase II campus at Kochi was included in the distribution licence area vide order dated 18-10-2011.
2. M/s Infopark Kochi vide its letter No.INFOPARK/KSERC/2049/2016 dated 03-12-2016 has submitted an application for approval of revised ARR and ERC for the year 2017-18. The Commission considered the application submitted by the licensee and admitted it as OA No. 12/17. The Commission vide letter dated 03-03-2017 sought clarifications from the licensee regarding the application submitted by it. The licensee submitted the additional clarifications sought by the Commission on the application vide letters dated 22-05-2017 and 22-06-2017.
3. The Commission had issued an order in OA 07/2015 dated 11-11-2015 on the application for ARR & ERC for the first control period (2015-16 to 2017-18). A comparison of the Aggregate Revenue Requirement and Expected Revenue from Charges approved by the Commission as per the order 11-11-2015 and the application submitted by the licensee for revised ARR application is tabulated below.

Table-1
Revised ARR & ERC for the year 2017-18

Particulars	Approved (Rs.lakh)	Revised ARR&ERC (Rs.lakh)
Revenue from Sale of Power.	1612.47	628.43
Other Income	2.00	2.20
Total Income	1614.47	630.63
Purchase of Power	1598.55	606.73
Repairs and Maintenance	20.16	37.19
Employee Cost	3.70	16.26
A&G Expenses	4.51	10.57
Depreciation	46.46	235.13
Interest & Finance Charges	-	-
Return on Equity	30.75	158.19
Total Expenditure	1704.13	1064.07
Net Surplus/(Deficit)	(89.66)	(433.44)

4. As per the application submitted to the Commission for revised ARR, the licensee has projected a **revenue gap of Rs.433.44 lakh** as against a revenue gap of Rs.89.66 lakh approved by the Commission in the order dated 11-11-2015.

Hearing on the Matter

5. Public hearing was held on 31-05-2017 at 11.00 A.M at the Court Room, Office of the Commission. In the hearing, representatives of the licensee and KSEB Limited were present. M/s Infopark was represented by Sri. V.R.Vijayan, Senior Manager and Sri.Sarath Chandran, Engineer, Infopark. Sri. V.R.Vijayan presented the details of the revised application for the approval of ARR&ERC for the year 2017-18 and responded to the queries of the Commission.
6. Smt. Mehrunisa, Executive Engineer, Sri. Manoj.G, AEE,TRAC and Smt. Bindu.V, AEE, TRAC, represented KSEB Ltd. Sri. Manoj.G presented the remarks/ observations of KSEB Ltd and submitted written remarks on the application which are briefed below.

- a. KSEB Ltd stated that the projection of the licensee on the Operation and Maintenance cost such as R&M expenses and Employee cost exceeded the limits specified by the Commission. It was submitted that the expenses are fixed by the Commission based on norms and cannot be changed in the revised ARR as O&M costs which come under controllable factors as per KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2014. It was further stated that the actual expenditure can be claimed during true up only in case of uncontrollable factors.
 - b. The AT&C loss is on the higher side which may not be admitted.
 - c. Depreciation may be limited to the value based on the original capital cost of asset approved by the Commission and depreciation may be allowed only after deducting the grants/consumer contribution from the Gross fixed assets.
 - d. The return on equity allowable may be limited as per regulation 29(2) of the KSERC (Terms and Conditions of determination of tariff) regulations 2014.
 - e. It was further prayed that the Commission may approve only reasonable expenditure, in accordance with the relevant regulations.
7. The Commission directed the licensee to submit the additional details sought during the hearing along with remarks on the comments made by KSEB Ltd on or before 15-06-2017. The licensee vide letter No. INFOPARK/KSERC/1113/2016 dated 15-06-2017 requested further time for the submission of the details till 22-06-2017 and the required details were submitted vide letter dated 22-06-2017.

Analysis and decision of the Commission

8. The Commission has considered the application and clarifications filed by the licensee, oral submissions during the hearing and the observations presented by the KSEB Ltd on the application. The decisions of the Commission on various issues are detailed below.
9. **No. of Consumers and Sale of Power:** - In the revised application submitted by the licensee, the energy sales is estimated at 8.85 MU with a consumer strength of 65 as against the approved sale of 22.19 MU with a consumer strength of 118 for the year 2017-18. The split up of the sale as in the application is tabulated below.

Table-2
Infopark- Details on revised submission

Consumer category	2017-18			
	ARR Approved		Revised Submission	
	No. Of consumers	Sales (MU)	No. Of consumers	Sales (MU)
Industrial	100	3.65	45	0.50
Commercial	8	0.40	14	0.97
Street lighting	2	0.28	2	0.18
HT 1B	8	17.86	4	7.3
Total	118	22.19	65	8.86

10. The licensee stated that the expected increase in the number of consumers and enhancement of demand did not materialize and hence the projection of sales for 2017-18 has been decreased. The Commission notes that the space in info park Chertala was not occupied as expected and hence accepts the submission made by the licensee and approves the revised sales projection of the licensee for the year 2017-18.

Distribution Loss and Energy Requirement:

11. In the application for approval of ARR & ERC for the control period the Commission has approved a loss reduction target at 1.80%. In the revised estimate, the licensee projected a distribution loss of 1.77 % for the year 2017-18. As per the revised application, the licensee has estimated an energy input of 9.02 MU for the year 2017-18 as against 22.60 MU approved by the Commission for the year 2017-18 as shown below.

Table-3
Infopark-Details of Distribution Loss

Particulars	2017-18	
	ARR approved	Revised estimate
Total Energy Requirement (MU)	22.60	9.02
Total Energy sales (MU)	22.19	8.86
Distribution loss(MU)	0.41	0.16
Distribution Loss %	1.80%	1.80%

12. In the application for the truing up of 2015-16, the **actual distribution loss claimed is 9.98%**. Based on the actual loss incurred for the year 2015-16, the

licensee as per letter dated 22-06-2017 revised the distribution loss for the year 2017-18 as shown below.

Table-4
Infopark-Details of Distribution Loss claimed

Particulars	2017-18	
	ARR approved	Revised on 22-06-2017
Total Energy Requirement (MU)	22.60	9.84
Total Energy sales (MU)	22.19	8.86
Distribution loss(MU)	0.41	0.98
Distribution Loss %	1.80%	9.96%

13. The revised distribution loss projected by the licensee is very much on the higher side. The licensee has not furnished the reason for higher distribution loss for the year 2017-18. As the distribution loss being a performance parameter and considering the limited geographical area of operation and the consumer mix, the Commission retains the distribution loss approved originally. The licensee shall take efforts to limit the Distribution loss to the approved level.

Table-5
Infopark-Approved Distribution loss and energy input for 2017-18

Energy Purchased (MU)	9.02
Energy sales (MU)	8.86
Distribution Loss (MU)	0.16
Distribution Loss %	1.80%

14. **Power Purchase Cost:** - The licensee had projected the revised power purchase cost considering the distribution loss of 9.96% as against the approved distribution loss of 1.80 % in the ARR order for the control period. The licensee has submitted the estimate of the cost of power purchase for the year at the revised BST rates as per the order dated 17-04-2017.

Particulars	Old Tariff	New Tariff
Energy Charge	5.55/unit	5.50/unit
Fixed Charge	Rs.300/kVA	Rs.300/kVA

15. As per the licensee's estimate energy requirement is 9.84 MU and the revised estimate of the cost of power purchase for the year is Rs.647.41 lakh as against an approved cost of Rs.1598.55 lakh for a purchase of 22.60 MU. The details of the revised projection given by the licensee is tabulated hereunder.

Table-6
Infopark-Estimated Cost of Power Purchase for 2017-18

Energy requirement estimated (MU)	9.84
Maximum Demand expected (kVA)	3720
Contract Demand (kVA)	3750
Rate of demand charge (Rs./kVA)	300
Demand charges (Rs.lakh)	101.25
Rate of energy charges (Rs.kWh)	5.50
Energy charges (Rs.lakh)	541.16
Bank Charges (Rs.lakh)	5.00
Total cost of power purchase(Rs.lakh)	647.41

16. The Commission considered the details. The licensee has claimed the power purchase cost based on the distribution loss of 9.96%. Further, an amount of Rs.5.00 lakh was also included in the power purchase cost, without furnishing any details on bank charges. The bank charge is part of the interest and finance charges and it cannot be considered as power purchase cost. Since the purpose for which it is proposed is not furnished, the same cannot be considered at present. Accordingly the revised power purchase cost approved for the year 2017-18 is Rs.597.35 lakh as shown below.

Table-7
Infopark-Approved Cost of Power Purchase for 2017-18

Energy requirement approved (MU)	9.02
Maximum Demand expected(kVA)	3720
Contract Demand (kVA)	3750
Rate of demand charge (Rs./kVA)	300
Demand charges (Rs.lakh)	101.25
Rate of energy charges (Rs.kWh)	5.50
Energy charges (Rs.lakh)	496.10
Total cost of power purchase(Rs.lakh)	597.35

17. **Interest and Finance Charges:** - In the revised submission, the licensee has not claimed any interest and finance charges for the year.
18. **Depreciation:** - The actual depreciation booked for the year is Rs.235.12 lakh as against the approved amount of Rs.46.46 lakh. The licensee has stated that the increase is due to asset addition of phase II substation. The licensee has claimed depreciation for the 110 kV substation Cherthala and the 220kV substation at Phase II.

Table-8
Infopark - Depreciation estimated for each year 2017-18 (Rs.lakh)

Gross Fixed Assets	2017-18		
	Asset Value In lakh	Depreciation %	Depreciation Claimed
Other Civil works	869.94	3.34%	29.06
EHV Distribution system	924.61	5.28%	48.82
Distribution lines- EHT & HT UG cables	425.41	5.28%	22.46
Sub-station equipments- EOT CRANE & testing equipment	101.42	5.28%	5.35
Transformers- EHT	1115.28	5.28%	58.89
HT Switchgears	503.95	5.28%	26.61
Batteries	13.45	5.28%	0.71
Others -spares	121.97	3.34%	4.07
LT Distribution panels	15.14	5.28%	0.80
Distribution lines- LT cables	58.33	5.28%	3.08
Sub-station equipments-(lighting ,fire protection,AC & earthing)	144.85	5.28%	7.65
Transformers -HT	23.78	5.28%	1.26
Control gear & Protection	242.4	5.28%	12.80
Batteries	27.22	5.28%	1.44
Others /DG	113.09	5.28%	5.97
Communication equipment	97.42	6.33%	6.17
Gross Asset	5508.26		235.13

19. As per the clarifications dated 22-06-2017 submitted to the Commission, the licensee has stated that,-

“As per the minutes of Meeting between KSEB and Infopark dated 11.07.2012, it has been agreed that recovery of higher infrastructure cost of Infopark shall be without adversely affecting the BST and the same shall be sorted out by Infopark by way of recouping such additional investments

from the budget allocation made by the Government or through additional SEZ for quality power supply as onetime payment or pass through payments from the consumer”. As per the MOM it shall be a part of Power Purchase Agreement also. Accordingly in the Power Purchase Agreement with KSEB the same has been incorporated. While submitting the first ARR & ERC of Infoparks Kerala Power Licensee, we have not claimed any depreciation part. As per the order of KSEB dated 23.04.2014 (OP 36/2013) para no. 13 & 14 , “ it has been noted that licensee has not proposed depreciation as well as Interest & finance charges and the approach of licensee in this regard is not acceptable”. Hence from the next ARR onwards we have added asset details and depreciation part in line with the direction of the commission.

In the case of Infopark power licensee account policy we have accounted the major assets like 110 kV substation at Infopark Cherthala and 220 kV substation at Infopark Phase II as a contribution from the infrastructure provider. The loan amount from South Indian Bank for construction of 110 kV substation at Cherthala as well as the budgetary support obtained from Government for construction of 220 kV substation at Infopark phase II Kakkanad is not booked in the licensee account. Once these substations are commissioned, it is getting transferred from the infrastructure provider to the asset register of Infoparks Kerala Power Licensee. As the asset is transferred to the licensee as an infrastructure provider contribution we have worked out the depreciation as per accounting practices.

20. The Commission decides that the depreciation on the asset additions of the licensee as per the revised ARR application for the year 2017-18 shall only be allowed after prudence check subject to confirmation of approval of the Commission for such asset additions. However, the depreciation of Rs.46.46 lakh as per the ARR order dated 11-11-2015 for the first control period need not be revised at present and accordingly the Commission approves Rs.46.46 lakh towards depreciation for the year 2017-18.

Table-9
Infopark-Depreciation approved for 2017-18 (Rs.lakh)

Particulars	Revised projection	Revision Approved
Depreciation	235.13	46.46

O&M expenses

21. As per the Regulations, O&M expenses consist of employee costs, Repair and maintenance expenses and Administration and general expenses. It may be noted that the O&M expenses claimed by the licensee in the revised application for 2017-18 is highly escalated in comparison with the KSERC (Terms and Conditions for Determination of Tariff) Regulation 2014.

Table 10
Infopark-Details of O&M for the year 2017-18

O&M Expenses for 2017-18	As per the Regulations (Rs. lakh)	As per the revised application (Rs. lakh)
Employee expenses	3.70	16.26
R&M expenses	20.16	37.19
A&G expenses	4.51	10.57

22. **Employee cost:** - The Commission in the order on ARR&ERC had approved Rs 3.70 lakh for 2017-18 as employee cost in line with the KSERC (Terms and conditions for determination of tariff) Regulations 2014. In the application submitted on the revised estimates for 2017-18, the employee cost estimated is higher than the approved figures. In the application, the licensee has projected an employee cost of Rs. 16.26 lakh for 2017-18 as shown below.

Table11
Infopark-Details of proposed employee cost for 2017-18

Description	Amount Rs. lakh
Resident Engineer – Cherthala	Rs.4.60
Resident Engineer – Kakkanad	Rs.7.17
Accountant	Rs.4.50
Total	Rs.16.26

23. The licensee has stated that it has considered the full salary of resident engineer in Cherthala and Infopark Phase II and an accountant for both the sites. The split up of the revised employee cost is tabulated hereunder.

Table-12
Infopark-Split Up of proposed employee cost for 2017-18

Particulars	Rs.lakh
Basic Salary	3.91
Dearness Allowance (DA)	9.80
House Rent Allowance	0.23
Conveyance Allowance	0.03
Earned Leave Encashment	1.14
Medical Reimbursement	1.14
Total	16.25

24. The licensee has stated that the claim of employee cost is only for one resident engineer and an accountant, which is the minimum requirement in each location to monitor the technical matters and financial matters respectively. As the functions of the licensee is yet to be fully operational and being in the growing stage the Commission decides that the actual employee cost incurred by the licensee shall be allowed after prudence check at the time of the truing up of accounts of the relevant financial year after making suitable amendments in the normative values specified in the Tariff Regulations, 2014. The licensee may provide necessary details to the Commission for the prudence check on the actual .
25. Hence the Commission retains the amount approved for employee cost as per the KSERC (Terms and conditions for determination of tariff) Regulations 2014, for the year 2017-18 as shown below.

Table.13
Infopark-Employee costs approved for 2017-18

Particulars	Revised projection (Rs.lakh)	Revision Approved (Rs.lakh)
2017-18	16.25	3.70

26. **Repair and Maintenance Expenses:** - The Commission approved Rs 20.16 lakh for 2017-18 as repair and maintenance cost in the order on ARR and ERC for the control period as per the provisions of KSERC (Terms and conditions for determination of tariff) Regulations 2014. In the application submitted on the revised estimates for 2017-18, the repair and maintenance cost estimated is very much higher than the approved figures. In the application, the licensee has projected an R&M expense of Rs. 37.19 lakh for 2017-18. The licensee has stated

that the amount projected for the year 2017-18 includes AMC contract and O&M contract of Cherthala and Phase II.

27. The major component of Rs.22.46 lakh is the expense incurred in outsourcing of the operating crew of Cherthala and Phase II at Kakkanad. The licensee has stated that the balance amount of Rs.14.73 lakh is towards maintenance of equipment including replacement of faulty spares. Out of the Rs. 14.73 lakh, Rs.9.82 lakh is for Cherthala for one year and Rs.4.91 lakh is for six months at Phase II.

Table.14
Infopark-R&M approved and claim as per revised projection

Particulars	Approved in order dated 11-11-2015 (Rs.lakh)	Revised projection (Rs.lakh)
2017-18	20.16	37.19

28. As the functions of the licensee is yet to be fully operational and being in the growing stage the Commission decides that the actual repair and maintenance expense incurred by the licensee shall be allowed after prudence check at the time of the truing up of accounts of the relevant financial year. The licensee shall provide necessary details to the Commission for prudence check, especially considering the fact that the norms of the licensees were originally fixed without much historical data and also considering the fact that the licensee is in its initial stage of operation.
29. As decided, the Commission provisionally approves the R&M expenses as per the KSERC (Terms and conditions for determination of tariff) Regulations 2014, for the year 2017-18 as shown below.

Table.15
Infopark-R&M approved for 2017-18

Particulars	Revised projection (Rs.lakh)	Revision Approved (Rs.lakh)
2017-18	37.19	20.16

30. **Administration and General Expenses:** - In the revised application on the ARR & ERC for the year 2017-18 the licensee has projected an A&G expense of

Rs.10.57 which is not in tune with the KSERC (Terms and conditions for determination of tariff) Regulations 2014. The Commission in the order on ARR&ERC had approved an amount of Rs.4.51 lakh as the Administration and General Expenses for the year 2017-18. The details of the projections made by the licensee are shown below.

Table.16
Infopark-A&G claim as per revised projection for 2017-18

Particulars	Rs. lakh
Telephone & Postage, etc.	0.12
Audit Fees	0.08
Periodical Inspection charges	2.39
Conveyance	0.09
Vehicle Expenses	0.18
Water charges	0.06
Printing & Stationery	0.15
RPO expenses	6.57
License Fee and other related fee	0.14
V-sat, Internet and related charges	0.12
Others -PPA, ARR	0.67
Gross A&G Expenses	10.57

31. The licensee has included an amount of Rs.6.57 lakh towards RPO expenses under the head of “A&G expenses”. The obligation imposed by the law on the licensee is to purchase power from renewable energy sources. The purchase of REC is a short cut for meeting the RPO. The licensee shall endeavour to purchase energy from renewable sources to meet the RPO. Hence the Commission is not in a position to approve the cost of REC upfront. The licensee shall in the truing up process may furnish the details of procurement of renewable energy and same will be considered by the Commission subject to submission of proper records.

32. As the functions of the licensee is in the developing stage the Commission decides that the actual A&G expense incurred by the licensee shall be allowed after prudence check at the time of the truing up of accounts. The licensee shall provide necessary details to the Commission for prudence check. Accordingly the Commission approves the expense of Rs.4.51 lakh in tune with the KSERC (Terms and conditions for determination of tariff) Regulations 2014 for the year 2017-18.

33. **Return on Equity:-** The Commission in the order on the ARR&ERC for the entire control period had allowed a return on equity based on regulation 29(2) of the KSERC (Terms and Conditions for determination of tariff) Regulations 2014. As per the said regulation, if the equity in the regulated business is not clearly identifiable, return shall be allowed at the rate of 3% of the net fixed assets at the beginning of the year. The Commission allowed a return on equity of Rs.30.75 lakh for the year 2017-18.
34. In the application on the revised ARR&ERC for the year 2017-18, the licensee has estimated the RoE of Rs. 158.19 lakh which is after duly considering the asset addition. The details of the RoE estimated by the licensee in the application are shown below.

Table - 17
Infopark- Revised RoE estimated for 2017-18 (Rs. Lakh)

1	Equity at the beginning of the year		5508.26
2	Capitalisation		235.13
3	Equity portion of capitalisation		
4	Equity at the end of the year		5273.13
	Return Computation		
5	Return on Equity at the beginning of the year	14%*(1)	
6	Return on Equity portion of capitalisation	14%*(3)/2	
7	Total Return on Equity	(5)+(6)	
	In case equity invested in the regulated Business is not clearly identifiable		
8	Net Fixed Assets net of Consumer Contribution & Grants (at the beginning of the year)	(8)	5273.13
9	Rate of return	3%	
10	Total return on net fixed assets	3% * (8)	158.19

35. The Commission has, in its order on ARR dated 11-11-2015, allowed the licensee a return on investment of Rs.30.75 lakh for the year 2017-18 which was 3% of the NFA. Therefore, the assets added by the licensee without proper approval of the Commission cannot be considered for the purpose of computing return on equity. Further the assets created out of grants and contribution shall not be eligible for return. The licensee has stated that new addition of substation is added using the government grants. It is also to be noted that the assets added are not properly put into use. Considering all these facts, the Commission decides to retain the amount of Rs.30.75 lakh approved earlier towards return on equity for the year 2017-18.

36. The approved Return on NFA will be revised once the actual accounts are available, considering the source of funding of the assets.

Table.18
Infopark-RoE approved for 2017-18 (Rs.lakh)

Particulars	Revised projection	Revision Approved
RoE	158.19	30.75

37. **Aggregate Revenue Requirement:** The Aggregate Revenue Requirement approved for the year 2017-18 is summarised as given below:

Table 19
Infopark- Aggregate Revenue Requirement approved for 2017-18

Particulars	Approved in order dated 11-11-2015	Revised ARR&ERC	Revision Approved
	(Rs. Lakh)	(Rs. Lakh)	(Rs. Lakh)
Purchase of Power	1,598.55	606.73	597.35
Interest & Finance Charges	-	-	-
Depreciation	46.46	235.13	46.46
Employee Cost	3.70	16.26	3.70
Repairs and Maintenance	20.16	37.19	20.16
A&G Expenses	4.51	10.57	4.51
Return on Equity	30.75	158.19	30.75
Total Expenditure	1,704.13	1,064.07	702.93

38. **Revenue from Tariff:** The licensee has estimated total revenue from sale power based on the revised tariff at Rs.644.39 lakh as shown below

Table-20
Infopark- Revenue Projections for 2017-18

Tariff category	2017-18					
	Approved in order dated 11-11-2015			Revised projection		
	No. Of consumers	Sales (MU)	Total Charges (Rs. Lakh)	No. Of consumers	Sales (MU)	Total Charges (Rs. Lakh)
Industrial	100	3.65	224.67	45	0.50	32.40
Commercial	8	0.40	40.38	14	0.97	95.22
Street lighting	2	0.28	9.98	2	0.18	6.96
HT 1B	8	17.86	1337.44	4	7.3	509.82
Total	118	22.19	1612.47	65	8.86	644.39

39. The Commission provisionally approves the revised revenue from sale of energy as estimated by the licensee.
40. **Non-Tariff Income:** The Commission in the order on ARR had approved the non-tariff income of Rs.2.00 lakh. In the application submitted for revised ARR, the licensee revised the non tariff income to Rs.2.20 lakh for 2017-18. The licensee has also stated that the collection charges for electricity duty and application fee for new connection are also added under this head. The Commission approves estimate of the licensee for the year 2017-18.
41. **Revenue Surplus/Gap:** Based on the above, the revenue surplus/gap for the year 2017-18 estimated by the licensee and that approved by the Commission are as follows.

Table -21
Infopark- Approved Revenue gap/surplus for the year 2017-18

Particulars	Approved in order dated 11-11-2015	Revised ARR&ERC	Revision Approved
	(Rs. Lakh)	(Rs. Lakh)	(Rs. Lakh)
Purchase of Power	1,598.55	606.73	597.35
Interest & Finance Charges	-	-	-
Depreciation	46.46	235.13	46.46
Employee Cost	3.70	16.26	3.70
Repairs and Maintenance	20.16	37.19	20.16
A&G Expenses	4.51	10.57	4.51
Return on Equity	30.75	158.19	30.75
Total Expenditure	1,704.13	1,064.07	702.93
Revenue from Sale of Power.	1,612.47	644.39	644.39
Other Income	2.00	2.20	2.20
Total Income	1,614.47	646.59	646.59
Net Surplus/(Deficit)	(89.66)	(417.48)	(56.34)

Orders of the Commission

42. After considering the petition of the licensee on the revision of ARR and the views expressed by M/s KSEB Ltd the Commission hereby approves ARR and ERC for the licensee for the year 2017-18 as shown below,-

Financial Year	2017-18
ARR (Rs. in lakh)	702.93
ERC (Rs. in lakh)	646.59
Surplus / (Revenue Gap)	(56.34)

The application is disposed of and it is ordered accordingly.

Sd/-
K.Vikraman Nair
Member

Sd/-
S.Venugopal
Member

Approved for issue
Sd/-

Santhosh Kumar.K.B
Secretary