

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

**Present : Shri. Preman Dinaraj, Chairman
Adv. A.J. Wilson, Member (Law)**

OP No 74/2021

**In the matter of : Truing Up of Cochin Port Trust for the Financial
Year 2020-21**

Applicant : M/s Cochin Port Trust

**Represented by : Sri S.K.Sahu, FA & CAO, CoPT
Sri V.Thuraipandian, CME, CoPT
Smt.Rajashree K Dabke, Sr.Dy CAO, CoPT,
Smt. Surya Madhu, Sr.AO, CoPT**

**Hearing No & : 1st Hearing held on 09.03.2022
date of Hearing**

Order Dated: 29-03-2022

Background

1. M/s Cochin Port Trust (CoPT) (hereinafter referred to as CoPT or the licensee or the petitioner) is a deemed distribution licensee under the proviso to Section 14 of Electricity Act 2003. The Commission vide Order dated 18.01.2010 in exercise of the powers conferred on it by Section 14 of Electricity Act 2003, granted permission to CoPT to extend its power distribution area to the Special Economic Zones at Vallarpadam and Puthuvypin in Ernakulam District, Kerala State. The Distribution Business Unit of CoPT performs the distribution of electricity across the entire W/Island area, Vallarpadam and Puthuvypin areas. CoPT is having 2 power injection points, one at Wellington Island area under 110kV system with contract demand of 6500 kVA and another at Vallarpadam SEZ area under 11 kV with contract demand of 3000 kVA.

2. The licensee has filed the petition for the Truing Up of Accounts for the Financial Year 2020-21 (Third year of the Control Period 2018-19 to 2021-22) in compliance to the provisions of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 (hereinafter referred to as Tariff Regulations, 2018).
3. M/s Cochin Port Trust (CoPT) has submitted the petition for Truing Up of Accounts for the Financial Year 2020-21 vide letter No. FD/Costing/Truing-up 2020-21/2021 dated 30-11-2021. The Commission had issued the Order on the ARR&ERC for the Control Period 2018-19 to 2021-22 on 30-10-2019. As per the ARR&ERC Order, the approved revenue surplus for the period 2020-21 is Rs.114.00 lakh. Now, in its Truing Up Petition for the year 2020-21, CoPT has claimed a Revenue Gap of Rs.789.66 lakh. A comparison of ARR&ERC Order OA 07/2019 dated 30.10.2019, the truing up petition for the year 2020-21 and the trued-up figures for the immediate previous year is tabulated hereunder.

Table 1
Comparison of Truing Up for 2019-20 and 2020-21

Particulars	2019-20		2020-21		
	Truing Up Petition	Trued Up	Approved in ARR	Truing Up Petition	Variance
	(Rs. lakh)	(Rs. lakh)	(Rs. lakh) (A)	(Rs. lakh) (B)	(Rs. lakh) (B)-(A)
Revenue from sale of power	3342.39	3342.39	3367.52	3188.18	-179.34
Other income	48.92	281.91	255.77	40.94	-214.83
Total income	3391.31	3624.30	3623.29	3229.12	-394.17
Power Purchase Cost	2582.07	2582.07	2736.18	2451.19	-284.99
R&M Expenses	28.15	481.46	478.36	24.83	385.07
Employee cost	811.73			769.47	
A&G Expenses	73.11			69.14	
Depreciation	180.22	195.46	189.12	188.02	-1.1
Interest and finance charges	443.33	422.18	0	415.42	415.42
Interest on Working Capital	11.02	7.22	5.64	7.89	2.25
Interest on consumer security deposits	33.20	33.20	34.73	23.52	-11.21
Return on NFA	71.60	71.60	65.25	69.30	4.05
Total Expenditure	4234.43	3793.19	3509.29	4018.77	509.48
Revenue Surplus (+)/ Gap (-)	-843.13	-168.89	114.00	-789.66	

4. The Commission vide letter dated 24-02-2022 sought clarifications on the petition and directed the licensee to submit replies to the clarifications latest by 07.03.2022.
5. The licensee furnished the clarifications and details vide their letter dated 07.03.2022. These details have been carefully considered by the Commission while analyzing the issues and arriving at specific conclusions.

Hearing on the Petition

6. The hearing on the petition was conducted at the Conference Hall of Cochin Port Trust on 09-03-2022 at 11.00 A.M. S.K. Sahu, FA & CAO, CoPT, Sri V.Thuraipandian, Chief Mech. Engr, CoPT, Smt.Rajashree K Dabke, Sr.Dy CAO, CoPT, Smt. Surya Madhu, Sr.AO , CoPT and other officers represented the petitioner. Smt. Surya Madhu briefed the details of the petition and responded to the queries of the Commission.
7. The main points discussed during hearing on the petition are briefed below.
 - a. Revenue from sale of power is Rs.3188.18 lakh for the energy sale of 345.44 lakh units and the Non-Tariff Income is claimed as Rs.40.94 lakh.
 - b. The number of Consumers has increased by 4 numbers from 1224 in the year 2019-20 to 1227 in 2020-21. The total number of units sold has decreased from 367.34 lakh units (2019-20) to 345.44 lakh units (2020-21).
 - c. The total energy purchased from KSEB for the year was 352.26 lakh units as against 374.37 lakh units in the year 2019-20 and 359.89 lakh units as per approved in ARR&ERC for the year 2020-21.
 - d. Power purchase cost for the year claimed in the petition is Rs.2451.19 lakh for purchase of 352.26 lakh units. The distribution loss for the year 2020-21 is 1.96% which is higher than the distribution loss of 1.88% in the year 2019-20 and higher than 1.75% approved in ARR&ERC for the year 2020-21.
 - e. Employee cost of Rs.769.47 lakh and A&G expenses of Rs.69.14 lakh claimed is higher than the approved level in ARR&ERC for the year 2020-21 i.e., Rs.400.55 lakh and Rs.55.42 lakh respectively. The licensee also submitted that despite actual deployment of 59 employees against the CEA/CEI norms of 123 employees, the employee cost is more on account of quinquennial pay revision, increasing VDA payment and annual increment which amounts to Rs.769.47 lakh including terminal benefits @11%.
 - f. Rs.415.42 Lakh has been claimed as Interest and finance charges on

loans from Govt of India for the year 2020-21. The licensee stated that due to the financial crunch experienced by the CoPT owing to Covid-19 pandemic and subsequent reduction in cargo output, CoPT requested the Ministry for moratorium of the loan for 3 years. Hence, CoPT has not paid the third installment of the loan to the Ministry for the year 2020-21. CoPT has however claimed the loan and interest in their Truing Up petition.

- g. Rs.69.30 lakh is claimed as return on net fixed assets @ 3%.
 - h. CoPT also submitted that the details of capital expenditure claimed in the Truing Up petition of 2019-20 for Rs.103.29 lakh and of 2020-21 for Rs.112.30 lakh shall be filed shortly.
 - i. The licensee has presented the 2020-21 accounts with a revenue gap of Rs.789.66 lakh as against a revenue surplus of Rs.114 lakh approved in ARR&ERC.
8. The Commission observed that the distribution loss for the year 2020-21 has increased to 1.96 % from the actual distribution loss of 1.88% in the year 2019-20. The Commission directed the licensee to analyse the reasons for such wide variation in the distribution loss and to furnish the technical reason with actual line loss and transformer loss incurred during the year 2020-21.
9. Regarding the reason submitted for increase in employee cost, the Commission directed the licensee to submit the details of payment due to the implementation of the pay revision and VDA revision with the relevant Orders to this effect immediately for considering in the Truing Up of the Accounts for the year 2020-21.
10. Regarding the claim of interest and finance charges, the Commission stated that the Commission is following a consistent accounting policy of allowing an expenditure only on actual basis. With regard to interest on working capital the Commission stated that interest on working capital can be allowed only per the provisions of the Regulation 32 of the Tariff Regulations.
11. KSEB Ltd had filed their counter statement/comments vide their letter No. KSEB/TRAC/CPT/2022/R1/787 dated 15.03.2022. The major points raised by KSEB Ltd are the following:
- i. The licensee's distribution expenses other than power purchase cost are exorbitantly high compared to the approved level in the ARR.
 - ii. The T&D loss may be fixed to the approved level and the cost incurred for additional power procurement due to higher loss may be disallowed.
 - iii. The O&M expenses claimed in the truing up is 100% more than the

approved cost. O&M expenses being controllable, has to be limited to the approved levels.

- iv. Working capital interest need not be allowed, since there is accumulated revenue surplus.
- v. For the capital expenditure incurred in 2020-21, interest on loan is claimed. It is not clear whether capital expenditure approval is obtained for these works.
- vi. The claim made by the licensee under power purchase tally with the accounts of KSEB Ltd.

Analysis and Decision of the Commission

12. The Commission has carefully considered the licensee's petition for Truing Up of Accounts for the year 2020-21, the additional clarifications submitted by the licensee on 07.03.2022, the views presented by the licensee during hearing conducted on 09.03.2022 and the counter statements furnished by the KSEB Ltd vide their letter dated 15.03.2022. The analysis and decisions of the Commission on the truing up petition for the Financial Year 2020-21 and other submissions are detailed below.

No. of Consumers & Sale of power

13. The energy sale for the year 2020-21 as per the petition is 345.44 lakh units, as against the approved sale of 405.86 lakh units in the ARR. A comparison of the actual sale of power for the different consumer categories for the year 2019-20 and 2020-21 is given below.

Table 2

Tariff category wise number of consumers and sales for the year 2019-20 & 2020-21

Particulars	2019-20 Trued Up		2020 -21 Truing Up Petition	
	Number of consumers	Units Sold (lakh units)	Number of consumers	Units Sold (lakh units)
LT I	525	8.72	511	8.36
LT II	2	3.52	2	3.29
LT IV A	1	0.13	1	0.05
LT VI A	13	2.19	13	0.61
LT VI B	30	3.21	28	1.81
LT VI B (G)	20	1.25	21	1.36
LT VI C	8	1.85	8	2.45
LT VI C (G)	12	0.53	12	0.54
LT VI F	5	2.26	4	2.00
LT VIIA Single Phase	310	3.28	334	2.95
LT VIIA Three Phase	205	36.24	199	27.10

Particulars	2019-20 Trued Up		2020 -21 Truing Up Petition	
	Number of consumers	Units Sold (lakh units)	Number of consumers	Units Sold (lakh units)
LT VII C	2	0.22	1	0.12
LT VIII B - Street Lights	3	0.08	3	0.08
Self consumption	54	32.05	54	27.65
STREET LIGHT- SELF	-	-	1	11.70
HT I (A) Industry	1	6.52	6	12.34
HT II (A)	5	11.68	1	5.28
HT II B Central Govt	1	4.11	1	3.45
HT IV (A) Commercial	23	233.21	23	193.65
HT IV (B) Hotel	4	16.28	4	40.67
	1224	367.34	1227	345.44

14. The above Table shows that, the number of consumers during 2019-20 was 1224 and the sale was 367.34 lakh units. Compared to 2019-20, the number of consumers has increased to 1227 and sales units have decreased to 345.44 lakh units during 2020-21. The major share of the sale (193.65 lakh units) is to the HT IV (A) Commercial category having 23 consumers. Compared to 2019-20, sale to HT Category has decreased from 271.80 lakh units to 255.39 lakh units in 2020-21.
15. The Commission vide letter dated 24-02-2022 sought clarification for the decrease in sales during the year 2020-21 when compared to 2019-20. The licensee submitted that in Cochin Port, the share of HT consumers is more than 70%. They further stated that COVID -19 pandemic had affected badly the business community in Port, especially the Star Hotels like Taj Malabar, Casino Hotel and Trident Hotel and furnished the comparison of their consumption as given below.

Table 3
Comparison of Consumption for the year 2019-20 & 2020-21

Sl.No	Name of the Consumer	Electricity Consumption in 2019-20 (Lakh units)	Electricity Consumption in 2020-21(Lakh units)	Difference (Lakh units)
1	Taj Malabar	27.39	15.30	12.08
2	Casino Hotel	16.84	10.13	6.71
3	Trident Hotel	19.47	14.68	4.78
TOTAL		63.70	40.12	23.57

16. The petitioner stated that the consumption of HT consumers during this period was lower and consumption of Star Hotels in W/Island alone had reduced by 23.57 lakh units. As per the licensee, compared to 2019-20, the sales

decreased to 345.44 lakh units in 2020-21 due to the impact of COVID -19 pandemic. They also stated that there were also increase in consumption by HT consumers like M/s D.P World and hence the overall consumption was less due to COVID -19 impact.

17. ***After examining the details furnished by the licensee, the Commission approves the licensee’s energy sales of 345.44 lakh units as per the 2020-21 truing up petition.***

Energy requirement and Distribution Loss

18. As per the petition, the total energy input for the year 2020-21 is 352.26 lakh units. The Commission in the Order on ARR&ERC dated 30-10-2019 approved 413.09 lakh units as energy requirement for the year 2020-21. . The actual distribution loss claimed by the licensee as per the truing up petition and Form D 6.2 for the year 2020-21 is 1.96% as against the approved the distribution loss of 1.75% for 2020-21 vide Order on ARR&ERC dated 30-10-2019.The details are tabulated hereunder.

Table 4
Comparison of Distribution Loss

Particulars	2019-20			2020-21	
	ARR Approved	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Energy sales (lakh unit)	377.49	367.34	367.34	405.86	345.44
Energy Requirement (lakh unit)	384.61	374.37	374.37	413.09	352.26
Distribution loss (lakh unit)	7.12	7.03	7.03	7.23	6.82
Distribution loss (%)	1.85%	1.88%	1.88%	1.75%	1.96%

19. The Commission noted that there is an error in the distribution loss claimed by the licensee. The distribution loss claimed by the licensee in the Truing up petition for the year 2020-21 is 1.96% whereas the actual distribution loss comes to 1.94% as per the Commission’s computation. Therefore, for the purpose of truing up, the Commission considers the actual distribution loss as 1.94%.
20. Since the petition was silent on the details of solar generation, the Commission sought the details of solar power generated during the year 2020-21 including the method of accounting during the year 2020-21 and whether it is reflected in the computation of distribution loss. The licensee in their submission dated 07-03-2022 clarified that 3.55 lakhs units was generated during the year 2020-21 which was utilized for self-consumption. Hence, this generation has not been accounted during the year 2020-21 and is not reflected in the distribution loss.

21. As per the approved ARR, the distribution loss is 1.75% against the actual distribution loss of 1.94%. This is also higher than the 2019-20 loss of 1.88%. Hence, the Commission sought clarification on the same and the licensee vide letter dated 07.03.2022 submitted that SMART metering system has been implemented during April 2020 with Smart meters being provided in the 11 kV feeders at 110 kV substation. Hence, the consumption details are more accurate in 2020-21 compared to previous years. This is the reason for higher distribution loss as per the licensee.
22. The Commission has examined the matter in detail. The Commission noted that the licensee has not complied with the direction to furnish the technical reason for distribution loss including the line loss and transformer loss and is also not satisfied with the justification submitted by the licensee for the increased distribution loss as smart metering is implemented to improve efficiency. Also in the truing up Order for the year 2019-20 (OP No.50/2020 dated 21.06.2021), the Commission directed the licensee to strictly adhere to the approved ARR percentages as mentioned in the Commission's Order on Application No. OA 7/2019 for the rest of the Control Period. Therefore, the Commission hereby limits the distribution loss to the previous years approved figure of 1.88% considering the licensee's explanation of installing smart meters and improving accuracy of the distribution loss. ***The Commission further directs the licensee to examine the reason for the increase in distribution loss and to take proper remedial measures and the same is to be intimated to the Commission within three months from the date of this Order.***
23. As per the details furnished by the licensee, the distribution loss for the year is higher than the approved loss level. As per Regulation 12 of the Tariff Regulations, 2018, distribution loss is a controllable factor and Regulation 72(4) specifies the mechanism for sharing the gains or losses on account of distribution loss which is reproduced below:

“72 (4). Any variation between the actual level of distribution losses and the approved level of distribution losses shall be dealt with, as part of the truing up of the respective Financial Year in the Control Period, in the following manner:-

(a) If the actual distribution loss is higher than the approved level of distribution loss for any particular Financial Year of the Control Period, then the quantum of power purchased corresponding to the excess distribution loss for that Financial Year, shall be disallowed at the average cost of power purchase for the respective Financial Year;

(b) If the actual distribution loss is lower than the approved level of distribution loss for any particular Financial Year of the Control Period, then the savings in power purchase cost corresponding to the difference in distribution loss for that Financial Year at the average cost of power purchase for the respective Financial Year, shall be shared between the distribution business/licensee and the consumers in the ratio 2:1.”

24. As per the above provision, since the distribution loss is higher than the approved level, the quantum of power purchased corresponding to the excess distribution loss, shall be the disallowed at the average cost of power purchase for the year. Accordingly, the quantum of power purchased for over and above the approved distribution loss of 1.88% is disallowed as shown below:

Table 5
Distribution loss approved for the year 2020-21

Particulars	2020-21		
	ARR Approved	As Per Truing Up Petition	Approved in Trued Up
Total Energy Sales (lakh units)	405.86	345.44	345.44
Distribution loss %	1.75%	1.94%	1.88%
Distribution loss (lakh units)	7.23	6.82	6.62
Energy Requirement (lakh units)	413.09	352.26	352.06
Excess Distribution Loss (in lakh units)			0.20

25. **Since the distribution loss is higher than the approved level, the quantum of power purchased corresponding to the excess distribution loss of Rs.0.20 lakh units is hereby disallowed at the average cost of power purchase for the year.**

Power purchase cost

26. The power purchase cost claimed by the licensee for the year 2020-21 amounts to Rs.2451.19 lakh for a purchase of 352.26 lakh units. The Commission while approving the ARR&ERC for the year 2020-21 had approved a power purchase cost of Rs.2736.18 lakh for a purchase of 413.09 lakh units. This amount included power purchase from KSEB Ltd (Rs.2516.30 lakh), Own generation (Solar) (Rs.24.00 lakh) and Open access power (Rs.195.88 lakhs). Compared to 2019-20 (Rs.6.90/per unit) average power purchase cost has increased in the year 2020-21 (Rs.6.96/per unit). The power purchase cost claimed by the licensee is as shown below.

Table 6
Power purchase cost claimed for the year 2020-21

Particulars	2020-21		
	W/Island	Vallarpadam	Total
Energy purchase (In lakh units)	243.99	108.27	352.26
Demand Charges (Rs. /KVA)	340	340	340
Total Demand charges (Rs in lakh) (A)	210.17	92.22	302.39
Energy Charges (Rs. /KWh)	6.10	6.10	6.10
Total energy Charges (Rs.in lakhs) (B)	1488.36	660.44	2148.80
Cost of power purchase (A) +(B) (Rs.in lakh)	1698.53	752.66	2451.19
Average Power Purchase Cost (Rs. / per unit)			6.96

27. As per the details furnished by the licensee, the average power purchase cost for the year 2020-21 is worked out at Rs.6.96/kWh. As per Regulation 72, excess distribution loss, shall be disallowed at the average cost of power purchase. The approved distribution loss is as per ARR is 1.75% whereas the actual distribution loss is 1.94%. However, considering the licensee's explanation of installing smart meters and improving accuracy of the distribution loss, the Commission had decided to retain the figure at the previous year's approved level of 1.88%. The excess energy lost is 0.20 lakh units. Based on this, the approved power purchase cost is worked out as shown below.

Table 7
Power Purchase Cost approved for the year 2020-21

Sl No	Particulars	Approved in Truing up
1	Total cost of power purchase (Rs. lakh)	2451.19
2	Actual quantum of power purchased (in lakh units)	352.26
3	Average cost of purchase (Rs. /kWh) (1) / (2)	6.96
4	Excess distribution loss (in lakh units) (Table 5)	0.20
5	Efficiency Loss (Rs.lakh) (3*4)	1.39
6	Power purchase approved for 2020-21 (1-5) (Rs. lakh)	2449.80

28. ***The efficiency loss for the excess distribution loss of Rs.1.39 lakh is hereby disallowed from the power purchase cost and the Commission hereby approves the power purchase cost of Rs.2449.80 lakh for the purpose of truing-up for 2020-21.***

Operation & Maintenance Expenses

29. The Operation & Maintenance expenses include controllable expenses like Employee Cost, Repair & Maintenance Expenses & Administrative & General

Expenses. The Commission as per Regulation 79(7) of the Tariff Regulations, 2018 had approved Cochin Port Trust to recover O&M costs as per norms specified in the Regulations for the year 2020-21. The Commission had vide ARR Order dated 30-10-2019, approved the O&M expenses for the period 2020-21.

30. The licensee has furnished the O&M expenses of Rs.863.44 lakh in the petition for truing up for 2020-21 which is higher by Rs.385.08 lakh than the norms of Rs.478.36 lakh approved by the Commission. A comparison of the expenses under O&M in the licensee's petition for truing up and the amount approved in the ARR Order are tabulated below.

Table 8
Details of O&M Expenses for the year 2019-20 & 2020-21

Particulars	2019-20	2020-21		Difference in ARR and Truing Up figures	% increase over the ARR approvals
	Trued Up	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)		
Employee cost	382.06	400.55	769.47	368.92	92.10%
R&M Expenses	28.15	22.39	24.83	2.44	10.90%
A&G Expenses	71.25	55.42	69.14	13.72	24.76%
Total	481.46	478.36	863.44	385.08	

31. As shown in table given above, the O&M expenses of Rs.863.44 lakh claimed by the licensee as per truing up claim for 2020-21 is higher than 2019-20 trued up amount of Rs.481.46 lakh as well as the approved amount of Rs.478.36 lakh in the ARR Order for 2020-21. The Commission notes that the employee cost, R&M expenses and AG expenses have significantly increased when compared to the ARR approved figures. Each of these items are discussed below.

Employee cost

32. The employee cost claimed by the licensee for the year 2020-21 amounts to Rs.769.47 lakh as against Rs.400.55 lakh approved in Tariff Regulations 2018. The employee cost claimed by the licensee in their Truing Up petition for the year 2019-20 was Rs.811.73 lakh. Even though the employee cost for the year 2020-21 has reduced from the previous year actuals, there is an increase of 92.10% from the norm amount of Rs.400.55 lakh.
33. The licensee in the petition stated that the actual employee cost incurred during the year 2020-21 amounted to Rs.693.21 lakh to which terminal benefits @ 11% was added. As per the petition, the strength of employees deployed for distribution business is 59 persons. The licensee stated that the amount

approved by the Commission was not sufficient to meet the employee cost engaged for the distribution activities in W/Island and at Vallarpadam. The licensee further stated that the Commission in the Truing up Order for the year 2019-20 has directed CoPT to work out the actual employee requirement based on CEA norms.

34. As per the licensee, since the CEA Regulations do not specify the number of employees, CoPT has worked out the deployment of the employees in accordance with the Circular No.B1-17175/2004/CEI dated 18.09.2004 of the Chief Electrical Inspector (CEI), Govt. of Kerala which is as per Indian Electricity Rules, 1956. Accordingly number of employees as per the CEI Circular vis-a-vis actual deployment by CoPT has been considered and the same as given in the petition is furnished below.

Table 9
Employee cost for the year 2020-21 as per CEA Norms

Financial Year	As per Truing up Petition	As per approved ARR	Employee cost based on the deployment as per the CEA/CEI Norms (Employee Nos.)
2020-21	759.47	400.55	769.47 (59 Nos.)

35. A comparison of the employee cost for the current year 2020-21 and previous year 2019-20 is shown below.

Table 10
Comparison of Employee cost claimed for the year 2019-20 & 2020-21

Particulars	2019-20		2020-21	
	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
Salaries & wages	722.81	382.06	400.55	683.70
PLR	8.03			9.51
Overtime	0.45			-
Total	731.29			693.21
Add: Terminal Benefits @ 11%	80.44			76.25
Grand Total	811.73	382.06	400.55	769.47
Number of employees	79			59

36. The amount of salaries and wages given in the petition (Split up details of employee cost) is Rs.683.70 lakh but the net employee cost as per Form D.3.4

(a) is Rs.693.21 lakh the difference of Rs.9.51 being "PLR". The Commission sought the details of PLR for more clarity and the licensee submitted that the bonus payment to the employees of Cochin Port is termed as Productivity Linked Reward (PLR), which is being paid every year as declared by the Ministry of Ports, Shipping & Waterways, Govt. of India. As per the Order received from Ministry, the PLR for CoPT for the year 2019-20 is 19.55% which has been paid during 2020-21. The amount of Rs.9.51 lakh claimed as PLR for the 2020-21 pertains to the bonus paid to the 59 employees deployed in the electricity distribution activities of the Port.

37. The Commission also sought details of employees reduced from 79 in 2019-20 to 59 in 2020-21 and the licensee submitted that Cochin Port is having a dedicated HR section and all the pay roll activities of the Port are done in SAP module which is linked with the biometric access control of employees. As per the licensee, the number of employees deployed in the electricity distribution activities has been reduced from 79 in 2019-20 to 59 in 2020-21 due to the retirement of employees.
38. The Commission further sought details of the basis of apportionment of employee cost into the distribution business to each employee. The licensee submitted that it is not based on apportionment but is the actual salary, EL encashment, bonus (PLR) paid to the employees deployed in the electricity distribution activities in the Port during 2020-21. The licensee further stated that except employee cost of the officers, who are doing other works of Cochin Port in addition to the electricity related works where in, only ¼th of their salary drawn during the period have been included in the Electricity Distribution Business. The licensee also stated that detailed list of employees, their deployment; salary paid has been already submitted along with truing up petition in Form D 3.4(a).
39. In response to the direction of the Commission during hearing to furnish details of Pay Revision Order and also the Orders of VDA revision, the licensee vide email dated 16.03.2022 furnished copies of Pay Revision Order No. A-29018/2/2016-PE.1 dated 05.02.2020 of the Ministry of shipping, Govt. of India, Orders revising VDA dated 0.09.2018, 02.07.2018, 01.10.2018 01.01.2019 and Pay/Wage revision settlement agreement with effect from 1.1.2017.
40. On examination of the Pay Revision Order dated 05.02.2020 the Commission noted that the Order was issued consequent on a direction by the Hon'ble High Court of Madras for implementation of the Pay Revision Committee report/recommendations with effect from 01.01.2017. Accordingly the recommendations made by the Pay Revision Committee had been considered

and approved by Competent authority and revised the pay scales, allowances, etc., of the Port and Dock Officers of the Major Port Trusts and Calcutta Dock Labour Board.

41. In the above Pay Revision Order dated 05.02.2020, it is mentioned in para 2.4 that “while implementing the pay revision Order dated 03.08.2010, some of the Port Trusts had upgraded the pre-revised pay scale of Rs.9,100-15,100 to 10,700-16,750/- on 31.12.2006 and then revised the pay scale to Rs.20,600-46,500 on 01.01.2007 This issue was examined by the Ministry in consultation with Department of Expenditure and clarification was issued on 23.11.2016. The clarification issued by this Ministry has however been challenged in the Hon’ble Calcutta High Court and Mumbai High Court which is now the subject matter in the pending W.P.No.1128 of 2016 and pending W.P No.1703 of 2017 respectively. The pay of the officers affected by the above mentioned litigation may be revised w.e.f.01.01.2017 but no arrears shall be paid or recoveries shall be made till the final outcome of the above said Court cases. This fixation is an interim measure. Final settlement of such cases shall be based on the decision of the Hon’ble courts in the said cases”.
42. From the above the Commission is not in a position to understand whether the officers/labours borne on the Electricity Distribution Business in the CoPT has been included in the above category in which this fixation is an interim measure only. Since the fitment formula (benefit) applied, annual increment and promotional increment given, Interim relief paid to the officers vide this Ministry’s Order dt.A-29018/3/2013-PE-1(Pt.) dated 09.03.2019 adjusted, Special pay granted subsumed in this pay revision etc., are also part of steps included this pay revision, the actual impact on account of the revision of the pay revision is not known to the Commission.
43. In the case of revision of Variable Dearness Allowance (VDA) also, the actual financial impact on account of the revision in VDA as per the given VDA revision Orders were not furnished by the licensee. In such a situation the Commission is not in a position to consider now the revised pay and allowances and VDA revision in the Truing Up of the licensee for the year 2020-21. **Therefore the Commission hereby directs that the licensee shall furnish the actual financial impact consequent upon the pay revision and VDA revision of each employee and total number of employees in the distribution business, the date of effect given as per the revised pay, arrears of amount paid consequent on this pay revision and VDA revision, promotional increments given etc., in addition to any other items included in additional expenditure paid to consider in the Truing Up of employee cost for the year 2020-21 within three months from the date of this Order.**

44. Moreover, the decision on the petition filed by CoPT regarding determination of employee strength is also under consideration of the Commission. In view of the above the Commission has decided as an interim measure to adhere to the ARR & ERC approved employee cost for the year 2020-21.

Table 11
Employee cost approved for the year 2020-21

Particulars	Approved ARR (Rs lakh)	As per Truing Up Petition (Rs lakh)	Trued Up (Rs lakh) (Provisional)
Employee Cost	400.55	769.47	400.55

45. ***Accordingly, the Commission hereby provisionally approve the employee expenses for the year 2020-21 as Rs. 400.55 lakh which is same as approved in the ARR&ERC Order dated 30.10.2019.***

Repair and Maintenance Charges

46. The Repair and Maintenance (R&M) cost claimed by the licensee for the year 2020-21 amounts to Rs.24.83 lakh as against the ARR & ERC approved cost of Rs.22.39 lakh. As per the licensee, Operation and Maintenance costs are the actual costs incurred in respect of electricity distribution business. The claim made by the licensee in their truing up petition is as shown below:

Table 12
Repair and Maintenance claimed for the year 2019-20 & 2020-21

Particulars	2019-20		2020-21	
	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
Plant and machinery	28.15	28.15	22.39	24.83
Total	28.15	28.15	22.39	24.83

47. The R&M expenses have decreased by 11.79% in the year 2020-21 when compared to the previous year 2019-20. Since the split-up details of Repairs and Maintenance expenses for Plant & Machinery was not available in the petition, the Commission sought the details of the same along with details of any emergency/one time expenditure incurred for the year 2020-21. The licensee vide e-mail dated 23.03.2022 submitted the split up details of Repairs and Maintenance expenses for Plant & Machinery. The details are furnished below.

Table 13
Split up details of Repair and Maintenance for the year 2020-21

Sl No	Description	Amount (Rs)
1	Hire charges to M/s KSEBL for HT cable fault locator @Rs28230 X5 cable faults)	1.42
2	Purchase of LT XLPE UG cable of size 16 sq.mm 1000 M	1.04
3	Testing charges of 5 nos. of 110 kV surge arresters by M/s KSEBL	0.43
4	Additional amount due to M/s KSEBL for testing relays at 110 kV S/s	0.65
5	Purchase of various sizes of LT UG cable (Stock) (tendered amount)	5.82
6	Testing of transformer oil of 110 kV transformers through NABL accredited lab	0.22
7	Filtering of transformer soil of 110 kV transformers.	0.86
8	Filtering transformer oil in OLTC of 110 kV transformers	0.19
9	Purchase of spares for 110 K V substation /11KVsubstation	2.25
10	Meter testing charges to Electrical Inspectorate	0.08
11	Providing supply arrangements to VTMS	2.44
12	Purchase transformer oil	1.01
13	Replacement of surge arrester charges	0.12
14	HT cable jointing / end termination kits	0.74
15	Cable jointing accessories	0.30
16	HT fuse	1.14
17	LT fuses	0.14
18	Purchase of other spares / expenses misc works	2.18
19	Purchase /work in Power House	0.44
20	Painting materials for panels and switch gears	0.91
21	Fuel charges of vehicle and power house	1.90
22	Repair & maintenance charges of vehicle (Sky lift and jeep)	0.57
	Total	24.83

48. As per the details furnished by the licensee, the main expense of Rs.5.82 lakh was incurred for purchase of various sizes of LT UG cable and Rs.2.44 lakh towards providing supply arrangements to VTMS. Another major expense of Rs.2.25 lakh, was incurred for purchase of spares for 110 K V substation /11KVsubstation.
49. Further, the Commission sought clarification as to whether the R&M expenditure was incurred through contractors selected through transparent bidding process. The licensee vide letter dated 07.03.2022 clarified that all the contract works have been carried out through transparent process of tender / quotations. Only purchase of spares pertaining to proprietary items from the OEM and certain works like servicing / overhauling 110 kV transformers, VCB, SF6 CBs etc. were carried out through the OEM on proprietary basis.

50. ***The Commission after carefully considering the licensees submission, hereby approves the actual R&M expenses incurred by the licensee amounting to Rs.24.83 lakh for the year 2020-21.***

A&G Expenses

51. The licensee in the petition for truing up has claimed an amount of Rs.69.14 lakh as against the approved amount of Rs.55.42 lakh as per the norms fixed in the Tariff Regulations 2018. As per the licensee, Administration and General Expenses are taken on a notional basis i.e. a percentage of total expenses incurred by CoPT.
52. A comparison of the actual claim of the licensee for the year 2020-21 with that of that Trued Up values for 2019-20 and with the ARR approved value for the year 2020-21 is tabulated below.

Table 14
Comparison of A&G Expenses claimed for the year 2019-20 & 2020-21

Particulars	% of expense	2019-20		2020-21	
		Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
Rent Rates & Taxes	1%	6.05	71.25	55.42	5.95
Insurance		2.31			0.73
Telephone & Postage, etc.	2%	0.26			0.30
Legal charges	1%	0.99			0.55
Audit Fees	1%	0.42			0.47
Conveyance	1%	0.40			0.10
Vehicle Hiring Expenses Truck / Delivery Van	1%	0.99			0.97
Electricity charges		9.34			9.34
Water charges	1%	2.33			2.33
Entertainment	1%	0.03			0.22
Fees & subscription	1%	0.02			0.01
Printing & Stationery	1%	0.06			0.07
Advertisements, exhibition publicity	1%	0.41			0.13
Miscellaneous Expenses	1%	0.59			0.48
License Fee and other related fee		0.96			3.05
V-sat, Internet and related charges	1%	0.13			0.15
Security arrangements		47.76			44.25
Computer Stationery	1%	0.06			0.03
Gross A&G Expenses		73.11			71.25

53. The major expense claimed by the licensee under the head A&G is security expenses amounting to Rs.44.25 lakh. The security expenses have reduced by 7.35% in 2020-21 compared to Rs.47.76 lakh incurred in the previous year 2019-20. The licensee in the petition stated that since CoPT is under security blanket as per ISPS regulations and is vulnerable to security threat, round the clock security arrangements is inevitable and accordingly 6 CISF constables have been posted to 110 KV system and Power House. The details of CISF Security staff employed solely for guarding distribution installations as given in the petition are as shown below:-

Table 15
Details of CISF Security staff deployed in distribution business

Particulars	Amount Rs. Lakh
Salary for the month of March 2021 for 231 CISF personnel	119.34
Leave salary Contribution	10.94
Pension Contribution	11.67
Total Cost	141.95
No: of Personnel	231
Cost / Personnel	0.61
Total cost of 6 personnel p.a	44.25

54. The Commission while truing up the accounts for the year 2019-20, had considered the expenses towards security expenses in full and had approved A&G accordingly. In view of the licensee's clarification and keeping the overall security scenario especially of coastal areas in mind, ***the Commission hereby allows this expenditure of Rs. 44.25 lakh expended towards CISF security.***
55. In the previous Order (Truing Up of accounts 2019-20) dated 21-06-2021, the Commission had allowed insurance expenses of Rs.2.31 lakh which was the actual premium paid in 2019-20 for securing insurance coverage of the licensee's electrical assets. In 2020-21 also, the licensee has incurred an amount of Rs.0.73 lakh for insurance premium. The Commission sought the details of insurance charges under the head A&G Rs.0.73 lakh and also sought whether insurance has been given based on any competitive bid. The licensee submitted that insurance has been finalized under competitive bid invited through tender from the public insurance companies. The licensee further submitted that Port has taken a comprehensive Port Package Insurance Policy from M/s United India Insurance Co. covering all the assets of the Port. The period of insurance is on calendar year basis. Accordingly, the premium paid on the assets for the electricity distribution activities of Port has been apportioned and claimed under the head A&G expenses. The split-up details of

the actual premium paid in 2020-21 in respect of electrical assets are stated below.

Table 16
Actual premium claimed for the year 2020-21

Sl No	Name of Assets	Rs. Lakhs
1	110 KV substation	0.57
2	11 KV panels at New Powerhouse	0.01
3	VCBs, Transformer, Cables at Vallarpadam substation	0.05
4	Grid connected roof top solar plants at RNAS quarters - 150 KwP	0.03
5	Grid connected Ground mounted solar panel at M/Halt pump house - 100 KwP	0.02
6	Strengthening of sub transmission and distribution network at W/Island under IPDS	0.04
7	Procurement of Sky Lift	0.01
	Total	0.73

56. ***The Commission after considering the details, accepts the claim of the licensee and allows Rs.0.73 lakh towards this expenditure.***
57. ***The Commission hereby approves the A&G expenses of Rs.69.14 lakhs actually incurred by CoPT for the year 2020-21 after carefully examining the details submitted by the licensee.***
58. The Approved O&M expenses for 2020-21 are as given below:

Table 17
O&M expenses approved for 2020-21

Particulars	ARR Approved (Rs. lakh)	Truing UpPetition (Rs. lakh)	Trued Up (Rs lakh)
Employee expenses	400.55	769.47	400.55*
R&M expenses	22.39	24.83	24.83
A&G expenses	55.42	69.14	69.14
Total O&M expenses	478.36	863.44	494.52

**Provisional*

59. ***The Commission hereby provisionally approves the Total O&M expense of Rs. 494.52 lakh for the year 2020-21.***

Depreciation

60. In the truing up petition for 2020-21, the licensee has claimed depreciation of Rs.188.02 lakh as against Rs.189.12 lakh approved in the Order on ARR&ERC dated 30-10-2019. The licensee in the petition stated that depreciation has been claimed as per Regulation 27 of KSERC Tariff Regulations, 2018 and accordingly depreciation has been claimed @ 5.28% for assets during initial 12 years from the date of commercial operation. Further the licensee stated that for assets which have completed 12 years, net book value is written off over the balance useful life of asset.

61. The details of claim made by the licensee are shown below.

Table 18
Depreciation claimed for the year 2020-21 (Rs in lakh)

Asset Group	Gross fixed assets			Salvage Value @ 10% of GFA	Provision for depreciation		
	At the beginning of the year	Additions during the year	At the end of the year		Cumulative up to the beginning of the year	Additions during the year	Cumulative at the end of the year
Distribution lines (LT lines)	35.96	5.95	41.91	4.19	26.72	2.34	29.06
Sub-station equipments	3,762.76	106.35	3,869.11	386.91	1,701.08	167.49	1,868.58
Transformers (11KV)	370.28	-	370.28	37.03	240.45	12.11	252.57
Others	216.00	-	216.00	21.60	107.53	6.06	113.58
Meters	5.67	-	5.67	0.57	5.01	0.01	5.03
Gross Asset	4,390.66	112.30	4,502.96	450.30	2,080.79	188.02	2,268.81

62. The licensee has claimed depreciation of Rs.188.02 lakh for the year 2020-21, which includes depreciation for the assets added during the year. The licensee in the truing up petition submitted that they had made an asset addition of Rs.112.30 lakh for the year 2020-21. The Commission sought details as to whether depreciation on assets addition during the year is charged on pro rata basis of actual date of Commissioning/capitalization and the licensee submitted that the depreciation on assets addition during the year is charged on pro rata basis of actual date of Commissioning/capitalization. The details of the asset additions claimed by the licensee for the year 2020-21 are as shown below.

Table 19
Asset Addition claimed during the year 2020-21

Asset Description	Total Addition to Assets (Rs in lakh)	Date of Commissioning
Providing Shore Power to UTL & near berth	25.37	29-02-20
STREN Distribution Network (Standardization)	80.97	31-03-19
Replacing the old HT cable from E/Wharf	5.95	13-02-21
Total	112.30	

63. The Commission sought clarification as to whether prior approval from the Commission has been obtained for incurring the capital expenditure for the year 2020-21 and the split-up details of Rs.112.30 lakh separately showing grants and own funds for the Capital expenditure incurred for shore power supply to UTL and nearby berths (Rs.25.37 lakh), SERN distribution Network Standardisation (Rs.80.97 lakh) and replacing the old HT cable from E/Wharf Rs.5.95 lakh). The licensee submitted that due to COVID-19 pandemic, the prior approval of the Commission could not be obtained and requested to condone the delay in filing the petition for approval to incur the capital expenditure. The licensee further stated that the Petition for the approval of Capital expenditure for the year 2020-21 will be filed shortly.
64. The Commission further sought clarification on the details of the assets created during the year 2019-20 and 2020-21 including the DPR, Requirement assessment approved by the Competent authority, with execution details of work done, details of transparent bidding process adopted, if any, year wise. The Commission also called for details of expenditure plan, its actual payment and deviation if any from the plan, if any, and if so the reason thereof, and basis apportionment of cost between own fund, grant and assets created out of customer contribution etc. The Commission pointed out that in the Trued-Up Order dated 21.06.2021, it was specifically mentioned that the Commission was not in a position to consider the amount of Rs.103.29 lakh claimed for the capital addition made during the year 2019-20.
65. The licensee submitted that the Petition for approval of Capital expenditure for the year 2019-20 will be filed shortly with all the relevant details and requested the Commission to condone the delay and reconsider the depreciation on capital expenditure of CoPT.
66. The Commission noted that the licensee has mentioned only the Commissioning date for Asset additions. For the purpose of computing depreciation, the actual date of put to use/capitalisation date of each asset addition is required. ***The Commission cannot in the present circumstances approve the capital***

addition of Rs.106.34 lakh which neither had any prior approval nor fell in the Covid pandemic period. The Commission further directs the licensee to strictly follow the Commission's procedure for seeking capital expenditure and since such instances are being repeated by the licensee, suo-moto action will be taken against the licensee under Sec 142 and Sec 146 of the Electricity Act 2003. The Commission hereby directs the licensee to submit the petition for approval of Capital expenditure within 3 months from the date of this Order.

67. The Licensee has not filed petition for approval of capital expenditure for the years 2019-20 & 2020-21 yet. Further, the Commission while issuing ARR&ERC Order for the years 2018-19 to 2021- 22 had clearly stated that the proposal of capital investment from own funds is deferred due to non-availability of proper documents to substantiate the investment. The relevant portion of the ARR&ERC Order (dated 30-10-2019) is given below.

“62. With regard to the capital investment from CoPT’s own funds, the Commission has decided to defer the proposal as the Commission is not in a position to accord in- principle sanction for the proposed capital investment without proper documents to substantiate the investment. The licensee is directed to submit the detailed proposal before the Commission at the earliest. The asset addition may be considered after formal approval during the process of truing up of accounts…….”

68. The Commission has taken the same stand as mentioned in para 58 of the ARR&ERC Order (dated 30-10- 2019) as the licensee has not submitted any proposal for approval of assets additions during the year 2020-21.The relevant portion is given below.

“58. Regulations 22 to 27 of the Tariff Regulations, 2018 provide for the procedure to be followed for addition of assets and the claiming of depreciation. As per Regulation 22 (3), the capital cost approved by the Commission after prudence check shall form the basis for determination of tariff. Unless the approval is obtained, it is not eligible to be part of GFA.”

However, in spite of the above remarks, the licensee had not made any efforts to comply with the Commission’s directions.

69. Accordingly, the Commission is not in a position to consider the amount of Rs.112.30 lakh claimed for the capital additions made during the year 2020-21. Hence, as done in the previous year 2019-20, the Commission allows depreciation only for the asset additions made up to 2018-19.
70. The Commission in the previous Truing up Order for the year 2019-20 has worked

out depreciation according to the Tariff Regulations, 2018 and recasted the figures accordingly. For the purpose of truing up of accounts for the year 2020-21, the closing GFA and NFA as recasted by the Commission for the year 2019-20 is taken as the opening GFA and NFA for the year 2020-21 and the depreciation is worked out as follows:

(a) Assets up to 12 years of age (Depreciation based on specified rate)

Table 20
Calculation of depreciation for the year 2020-21 (Rs. Lakhs)

Category	Useful Life	Rate of Dep	GFA At the beginning of the year 01.04.2020	Acc. Deprn till 31.03.2020 (begng of he year)	Depreciation for the year 2020-21
Distribution Lines	35	5.28	6.71	2.62	0.35
Distribution Meters	15	5.28	0.24	0.15	0.01
Distribution Substation	25	5.28	1835.46	855.16	96.91
Distribution Substation	25	5.28	20.34	7.15	1.07
Distribution Transformers	35	5.28	16.29	6.30	0.86
Distribution Transformers	35	5.28	32.90	25.24	1.74
Distribution Substation	25	5.28	579.46	236.85	30.6
Distribution Substation	25	5.28	201.50	32.42	10.64
Distribution Lines	35	5.28	29.82	9.54	1.57
Distribution Others	25	5.28	9.56	2.90	0.5
Distribution Substation	25	5.28	167.51	52.44	8.84
Distribution Substation	25	5.28	143.01	38.03	7.55
Distribution Substation	25	5.28	158.27	40.36	8.36
Distribution Others	25	5.28	4.10	0.88	0.22
Distribution Others	25	5.28	2.89	0.44	0.15
Distribution Others	25	5.28	2.89	0.44	0.15
Distribution Lines	35	5.28	7.23	1.10	0.38
Distribution Lines	35	5.28	9.34	0.98	0.49
			3227.52	1313.00	170.39

(b) more than 12 years of age (Depreciation based on balance useful life)

Table 21
Calculation of depreciation for the year 2020-21 (Rs. Lakh)

Category	Use full Life	Capitalisation date	Completed Years as on 01-04-2020	Remaining Life of the Asset	GFA At the beginning of the year 01.04.2020	Salvage @10%	Acc. Depn till 31.03.2020 (begng of he year)	NFA as on 01.04.2020	NFA-Salvage	Depreciation for the year 2020-21
Distribution Substation	35	23-03-86	35	0	0.16	0.02	0.14	0.02	0.00	0.00
Distribution Substation	35	04-04-86	35	0	0.14	0.01	0.13	0.01	0.00	0.00
Distribution Lines	35	05-04-86	35	0	26.66	2.67	23.99	2.67	0.00	0.00
Distribution Substation	35	05-04-86	35	0	0.98	0.10	0.88	0.10	0.00	0.00
Distribution Transformers	35	05-04-86	35	0	1.96	0.20	1.76	0.20	0.00	0.00
Distribution Substation	35	06-04-86	35	0	27.83	2.78	25.05	2.78	0.00	0.00
Distribution Substation	35	04-04-92	29	6	458.89	45.89	363.83	95.06	49.17	8.20
Distribution Transformers	35	04-04-92	29	6	305.11	30.51	220.40	84.71	54.20	9.03
Distribution Substation	35	03-04-96	25	10	63.15	6.32	35.06	28.09	21.78	2.18
Distribution Others	35	03-04-98	23	12	60.69	6.07	60.69	0.00	0.00	0.00
Distribution Meters	35	31-10-01	19	16	5.43	0.54	4.85	0.58	0.04	0.00
Distribution Others	35	31-01-03	18	17	10.14	1.01	3.27	6.87	5.86	0.34
Distribution Others	35	02-03-03	18	17	9.98	1.00	4.44	5.54	4.54	0.27
Distribution Others	35	01-04-04	17	18	27.32	2.73	8.64	18.68	15.95	0.89
Distribution Substation	35	01-04-04	17	18	59.16	5.92	28.84	30.32	24.40	1.36
Distribution Others	35	02-02-08	13	22	2.27	0.23	1.08	1.19	0.96	0.04
Total					1059.87	105.99	783.05	276.82	176.90	22.31

Table 22
Depreciation approved for the year 2020-21 (Rs. lakhs)

Category	Rate of Dep	GFA At the beginning of the year 01.04.2020	Assets Additions During the year 2020-21	Salvage @10%	Acc. Deprn till 31.03.2020 (begng of the year)	NFA as on 01.04.2020	Depreciation for the year 2020-21
Assets till 12 years							
Distribution Lines	5.28	53.10	0.00	5.30	14.24	38.86	2.79
Distribution Substation	5.28	3105.55	0.00	310.56	1262.41	1843.14	163.97
Distribution Transformers	5.28	49.19	0.00	4.92	31.54	17.65	2.60
Distribution Meters	5.28	0.24	0.00	0.02	0.15	0.09	0.01
Distribution Others	5.28	19.44	0.00	1.95	4.66	14.78	1.02
Sub Total		3227.52	0.00	322.75	1313.00	1914.52	170.39
Assets Completed 12 years							
Distribution Lines	Rem Life	26.66	0.00	2.67	23.99	2.67	0.00
Distribution Substation	Rem Life	610.31	0.00	61.04	453.93	156.38	11.73
Distribution Transformers	Rem Life	307.07	0.00	30.71	222.16	84.91	9.03
Distribution Meters	Rem Life	5.43	0.00	0.54	4.85	0.58	0.00
Distribution Others	Rem Life	110.40	0.00	11.04	78.12	32.28	1.54
Sub Total		1059.87	0.00	106.00	783.05	276.82	22.31
Total		4287.39	0.00	428.75	2096.05	2191.34	192.70

71. Based on the above calculation, the Commission hereby approves Rs.192.70 lakh as depreciation for the year 2020-21.

Interest and Finance Charges

72. The licensee has claimed an amount of Rs.446.83 lakh under the Interest and Finance charges. The Commission while issuing the Order on ARR&ERC had approved Rs.40.37 lakh as interest on working capital and interest on consumer security deposits. The licensee as part of interest and finance charges included interest and finance charges on loans, interest on working capital and interest on consumer security deposits. The details are furnished below.

Table 23
Interest and finance charges claimed for the years 2019-20 & 2020-21

Particulars	2019-20		2020-21	
	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
Interest and finance charges on long term loans	443.33	422.18	-	415.42
Interest on Working Capital	11.02	7.22	5.64	7.89
Interest on consumer security deposits	33.20	33.20	34.73	23.52
Total	487.55	462.60	40.37	446.83

Interest and finance charges on loans

73. The licensee has claimed an amount of Rs.415.42 lakh as the interest charges @ 9.92% per annum on long term loans. Out of this, Rs.373.51 lakh pertains to interest on GOI loan and Rs.41.92 lakh towards interest of loan from CoPT for capital expenditure. Details of the Interest on loan claimed by the licensee are as shown below.

Table 24
Details of Interest claimed on Loans for the year 2020-21

Particulars	Truing Up Petition (Rs. lakh)
Gross Loan -Opening	4,677.55
Cumulative repayments of Loans up to previous year	852.18
Net loan-Opening	3,825.37
Add: Drawal(s) during the Year	195.38
Less: Repayment (s) of Loans during the year	426.09
Net loan - Closing	3,594.66
Average Net Loan	3,710.02
Interest on Loan	415.42
Weighted average Rate of Interest on Loans	9.92%

74. As per the licensee, since the Port does not have any equity, the cost incurred for creation of assets attributed to the Electricity Distribution business is being met out of Government of India (GoI) Loans availed by CoPT. The licensee further stated that the Cabinet Committee on Economic Affairs (CCEA) has approved the proposal of the CoPT for waiver of penal interest on GOI Loans to the tune of Rs.897.23 Crore and scheduled the repayment of the principal plus interest amounting to Rs.558.53 Crore (Principal Rs.258.14 Crore + Interest Rs.282.85 Crore + Penal Interest Rs.17.53 Crore). As committed by

the Port, repayment started in 2018-19. The first installment was paid in March 2019 the second installment was paid in March 2020. The licensee also stated that due to the financial crunch experienced by the Port owing to Covid-19 pandemic and subsequent reduction in cargo throughput, they have requested the Ministry for moratorium of the loan for 3 years. Hence, Port has not paid the third installment of the loan to the Ministry for the year 2020-21. Further the licensee stated that in the Truing up petition, they have claimed the loan and interest corresponding to the Electricity distribution in Truing up for 2020-21 as there is uncertainty in approving the proposal by the Ministry for moratorium. The interest on GoI loan claimed in Truing up for 2020-21 is as shown below.

Table 25
Interest charges for GOI Loan claimed for 2020-21

Gross Loan -Opening	4,260.94
Cumulative repayments of Loans upto previous year	852.18
Net loan-Opening	3,408.76
Add: Drawal(s) during the Year	-
Less: Repayment (s) of Loans during the year	426.09
Net loan - Closing	2,982.67
Average Net Loan	3,195.72
Rate of Interest on Loan on annual basis	
Interest on loan	373.51

75. The Commission vide letter dated 24.02.2022 sought whether the licensee got any reply to the request for loan moratorium for 3 years as stated in the petition. The licensee submitted that the proposal of the Port for loan moratorium for 3 years is under active consideration at the Ministry of Ports, Shipping and Waterways, Prime Minister's office and at Cabinet. The licensee further states that the final approval on the proposal has not been received yet.
76. The Commission has carefully examined the details furnished by the licensee and found that no interest has actually been paid to the Government of India on the expectation of receipt of moratorium of loan from the Ministry. The Commission is not in a position to approve this interest on loan from GoI as the same is not paid. As and when this payment occurs, the licensee can claim this amount in that year's Truing Up petition and the Commission shall consider the same.
77. **Accordingly, the Commission hereby disallows the interest on loan from GoI amounting to Rs.373.51 lakh for the year 2020-21.**
78. The licensee has further claimed an amount of Rs.41.92 lakh towards interest on notional loan from CoPT. The licensee treats the fund used for acquiring capital assets as a notional loan from the Cochin Port Trust. As per the

licensee, during the year 2020-21, CoPT has incurred Rs. 112.30 Lakh towards providing shore power supply to UTL and nearby berths, Standardization of distribution network and replacing the old HT cable from Ernakulam wharf, which has been capitalized. Interest @ 8.15% has been claimed on the same which is SBI base rate as on 01.04.2020.

79. Besides, CoPT was granted financial Assistance under IPDS Scheme by the Ministry of Power and the Port has received Rs.175 Lakh during 2020-21. As per the Scheme 60% of the Project cost and 0.5% of the approved project cost for Project management agency is chargeable to grant and balance 40% to be met by CoPT. The total expenditure incurred by the Port under the said Scheme till 31.03.2021 amounts to Rs. 543.90 lakh. The portion chargeable to grant comes to Rs. 321.93 Lakh. Since the Port has received a total grant of only Rs.293.60 Lakh, the balance amount of Rs. 28.33 Lakh (Rs 321.93 Lakh- Rs 293.60 Lakh) as well as 40% share of CoPT for the year 2020-21, amounting to Rs. 54.76 Lakh, totaling Rs.83.09 Lakh was met from internal funds of Port. Hence, interest @8.15% has been claimed on the same. The calculation of Interest on loan from CoPT claimed by the licensee is as shown below.

Table 26
Interest charges claimed for Loan from CoPT for CAPEX for 2020-21

Particulars	Rs. lakhs
Gross Loan -Opening	416.61
Cumulative repayments of Loans up to previous year	-
Net loan-Opening	416.61
Add: Drawal(s) during the Year	195.38
Less: Repayment (s) of Loans during the year	-
Net loan - Closing	611.99
Average Net Loan	514.30
Rate of Interest on Loan on annual basis	8.15%
Interest on loan	41.92

80. In the previous Truing Up Order dated 21-04-2020, the Commission had allowed the interest charges for the assets acquired up to 2015-16 as it was covered as part of the Govt of India Order and interest charges for the loan taken for asset addition after 2016-17 was allowed separately. In the case of assets additions made during the year 2019-20, the Commission has disallowed the capital assets addition as the licensee has not submitted any proposal for approval of assets additions during the year 2019-20. In case of assets additions made during the year 2020-21 also, the Commission hereby disallows the capital assets addition since the same was made without any

proposal for approval of the Commission. Hence, these additions are not recognized by the Commission at present and are not eligible for interest on normative loan. Further, the licensee in the petition stated that Interest @ 8.15% has been claimed which is SBI base rate as on 01.04.2020. However, the Commission noted that the SBI base rate as on 01.04.2020 is 7.75% and the same is considered for calculation of interest. Accordingly, the interest charge for the year 2020-21 is worked out as shown below.

Table 27
Interest charges approved for the year 2020-21

Sl No	Particulars	Rs. lakh
1	GFA as on 01-04-2020 (Assets added in 2016-17, 2017-18 & 2018-19)	26.45
2	Cumulative depreciation as on 31-3-2020	3.84
3	Net Opening Normative loan on 01-04-2020 (1-2)	22.61
4	Assets addition approved during the year 2020-21	-
5	Depreciation allowed for the year 2020-21 for the assets of Rs.26.45 lakh	1.39
6	Net closing Normative loan on 31.03.2021 (3+4-5)	21.22
7	Average loan (3+6)/2	21.92
8	Rate of Interest (Base rate as on 01-04-2020 one year tenor)	7.75%
9	Interest charges for loan from CoPT for CAPEX (7 * 8)	1.70
10	Interest charges for the loan for the assets added till 2015-16	-
11	Total Interest on long term loan (9+10)	1.70

81. ***The Commission hereby approves the amount of Rs.1.70 lakh as the total interest charges for the year 2020-21.***

Interest on Working Capital

82. The interest on working capital is claimed by the licensee at the rate of 9.75% which is the prevailing MCLR rate plus two percent. The MCLR rate prevailing as on 1st April 2020 is 7.75%. Accordingly the interest rate considered by the licensee in the petition is 9.75%. The licensee has claimed an interest on working capital of Rs.7.89 lakh as against Rs.5.64 lakh approved in ARR&ERC for the year 2020-21. The details of interest on working capital claimed by the licensee are as shown below.

Table 28
Interest on Working Capital claimed for the year 2020-21

Particulars	2020-21	
	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
O&M expenses - One Month	83.26	71.95
Maintenance Spares (as per norms)	-	-
Receivables - Two Months (Revenue from sale of power)	561.25	531.36
Total (A)	644.51	603.32
Less:		
Security deposits from Consumers (B)	588.97	522.40
Total Working Capital (A)-(B)	55.54	80.92
Interest Rate (as per norms)	10.15%	9.75%
Interest on Working Capital (actual)	5.64	7.89

83. The normative level of working capital for the Financial Year is to be calculated on the basis of Regulation 32(1)(e) of Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2018. The interest on normative level of working capital shall be allowed at a rate equal to two percent higher than the base rate as on the First day of April of the Financial Year. Based on the above provisions, the working capital requirement for CoPT for the year 2020-21 as per the Regulations and the interest thereon is as estimated below.

Table 29
Interest on Working Capital approved for the year 2020-21

Particulars	2020-21	
	For the year (Rs. lakh)	For Working capital (Rs. lakh)
O&M expenses (one month)	494.52	41.21
Cost of Spares	-	-
Receivables (Revenue from sale of power) - 2 months revenue	3188.18	531.36
Total (A)		572.57
Less:		
Security Deposit from consumers (B)	522.40	522.40
Working Capital (A-B)		50.17
Interest Rate (as per norms)		9.75%
Interest on working capital		4.89

84. **Accordingly, the Commission hereby approves Rs.4.89 lakh as interest on working capital for the year 2020-21.**

Interest on Security Deposits

85. The licensee has also claimed an amount of Rs.23.52 lakh as the interest on security deposit paid to the consumers of CoPT for the year 2020-21. The amount of security deposit from consumers for the year 2019-20 and 2020-21 are Rs.528.74 lakh and Rs.522.40 lakh respectively. There is a decrease in the security deposit from consumers compared to the previous year 2019-20.
86. The Commission has sought the details of actual amount disbursed towards interest on security deposit to CoPT consumers during the F Y 2020-21 and mode of payment. The licensee vide letter dated 07.03.2022 submitted that the actual amount disbursed towards interest on security deposit to CoPT consumers during the F Y 2020-21 is Rs.23.52 lakh which was adjusted in the energy bill of the consumer during the first quarter of the ensuing Financial Year, as per the provisions of supply code. The details submitted by the licensee vide letter dated 07.03.2022 are shown below.

Table 30
Actual interest on security deposit paid during the year 2020-21

Category	SD Amount (Rs.)	Rate of interest	Interest Amount (Rs.)	TDS @ 10%/20% (Rs.)	Net Interest Amount (Rs.)
HT with PAN	346.53	4.65%	15.59	1.56	14.03
HT without PAN	3.00	4.65%	0.14	0.03	0.11
HT GOVT.	51.27	4.65%	2.35	Nil	2.35
LT with PAN	104.31	4.65%	4.68	0.47	4.21
LT without PAN	16.28	4.65%	0.72	0.14	0.57
LT GOVT.	1.00	4.65%	0.05	Nil	0.05
TOTAL	522.40		23.52	2.20	21.32

87. **After examining the details furnished by the licensee, the Commission hereby approves Rs.23.52 lakh as claimed by the licensee towards the interest on security deposit for the year 2020-21.**

88. Thus, the interest and finance charges approved for the year 2020-21 is as given below.

Table 31
Interest and finance charges approved for the year 2020-21

Particulars	2020-21		
	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)
Interest and finance charges on long term loans	-	415.42	1.70
Interest on Working Capital	5.64	7.89	4.88
Interest on consumer security deposits	34.73	23.52	23.52
Total	40.37	446.83	30.10

Return on NFA

89. The licensee has claimed return on net fixed assets @3% at Rs.69.30 lakh. The Commission had allowed a return of Rs.65.25 lakh in the Order on ARR&ERC which was 3% of the net fixed assets, as provided in the Tariff Regulations 2018. As per the details provided in the petition, the net fixed assets at the beginning of the year are Rs.2309.87 lakh. The details of claim made by the licensee are shown below.

Table 32
Return Net Fixed Assets for the year 2019-20 and 2020-21

Particulars	2019-20		2020-21	
	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)
Net Fixed Assets net of Consumer Contribution & Grants (at the beginning of the year)	2386.81	2386.81	2175.14	2309.87
Rate of return	3.00%	3.00%	3.00%	3.00%
Total return on net fixed assets	71.60	71.60	65.25	69.30

90. The Commission has not approved the asset addition for the year 2019-20 and 2020-21. The return on NFA is to be allowed based on the approved asset additions. The NFA as on 01.04.2020 approved by the Commission is Rs.2191.34 lakh. Accordingly, the return on NFA approved for the year 2020-21 is as shown below.

Table 33
Return Net Fixed Assets approved for the year 2020-21

Particulars	2020-21		
	ARR Approved (Rs. lakh)	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)
Net Fixed Assets net of Consumer Contribution & Grants (at the beginning of the year)	2175.14	2309.87	2191.34
Rate of return	3.00%	3.00%	3.00%
Total return on net fixed assets	65.25	69.30	65.74

91. **The Commission after examining the submissions of the licensee hereby approves Rs.65.74 lakh as the RoNFA for the year 2020-21 @ 3.00% on NFA of Rs.2191.34 lakh as on 01-04-2020.**

Revenue from Sale of Power

92. The actual revenue from sale of power for the year 2020-21 is Rs.3188.18 lakh for 345.44 lakh units against approved revenue from sale of power of Rs.3367.52 lakh for 405.86 lakh units as in the ARR Order. A category wise comparison of the revenue from sale of power for the years 2019-20 & 2020-21 is as shown below.

Table 34
Details of Revenue from Sale of Power for 2019-20 & 2020-21

Particulars	2019-20 Trued Up				2020 -21 Truing Up Petition			
	Number of consumers	Units Sold (lakh units)	Total (Rs. lakh)	Avg. realisation	Number of consumers	Units Sold (lakh units)	Total (Rs. lakh)	Avg. realisation
LT I	525	8.72	34.42	3.94	511	8.36	37.67	4.51
LT II	2	3.52	31.16	8.85	2	3.29	30.94	9.40
LT IV A	1	0.13	1.49	11.2	1	0.05	1.63	32.60
LT VI A	13	2.19	14.66	6.71	13	0.61	4.83	7.92
LT VI B	30	3.21	25.01	7.79	28	1.81	15.13	8.36
LT VI B (G)	20	1.25	11.06	8.83	21	1.36	12.24	9.00
LT VI C	8	1.85	20.85	11.2	8	2.45	25.94	10.59
LT VI C (G)	12	0.53	6.45	12.2	12	0.54	6.53	12.20
LT VI F	5	2.26	21.82	9.64	4	2.00	19.74	9.88
LT VIIA Single Phase	310	3.28	29.1	8.88	334	2.95	30.72	10.41
LT VIIA Three Phase	205	36.24	449.26	12.4	199	27.10	444.33	16.40
LT VII C	2	0.22	2.13	9.51	1	0.12	1.19	9.92
LT VIII B - Street Lights	3	0.08	0.32	4.13	3	0.08	0.35	4.38
Self consumption	54	32.05	179.6	5.6	54	27.65	90.11	3.26

Particulars	2019-20 Trued Up				2020 -21 Truing Up Petition			
	Number of consumers	Units Sold (lakh units)	Total (Rs. lakh)	Avg. realisation	Number of consumers	Units Sold (lakh units)	Total (Rs. lakh)	Avg. realisation
STREET LIGHT-SELF	-	-	-	-	1	11.70	36.57	3.13
HT I (A) Industry	1	6.52	46.74	7.17	6	12.34	110.28	8.94
HT II (A)	5	11.68	94.43	8.09	1	5.28	41.75	7.91
HT II B Central Govt	1	4.11	37.04	9.02	1	3.45	30.89	8.95
HT IV (A) Commercial	23	233.21	2178.71	9.34	23	193.65	1870.77	9.66
HT IV (B) Hotel	4	16.28	158.15	9.71	4	40.67	376.55	9.26
	1224	367.34	3342.39		1227	345.44	3188.18	

93. From the above table, it is clear that the major revenue is received from HT IV (A) Commercial category (Rs.1870.77 lakh) which contributes around 58.67% of the total revenue.
94. The Commission noted that, even though the number of consumers increased from 1224 to 1227, there is a decrease in the sales units (from 367.34 lakh units to 345.44 lakh units) and revenue from sale of power (from Rs.3342.39 lakhs to Rs.3188.18 lakh) in 2020-21 compared to 2019-20. The Commission vide letter dated 24-02-2022 sought clarification for the decrease in sales during the year 2020-21 when compared to the 2019-20. The licensee submitted that in Cochin Port, the share of HT consumers is more than 70% and COVID -19 pandemic had affected badly the business community in Port, especially the Star Hotels like Taj Malabar, Casino Hotel and Trident Hotel. They also stated that consumption of Star Hotels in W/Island alone had reduced by 23.57 lakh units and hence compared to previous year 2019-20, the revenue from sales was decreased in 2020-21 due to the impact of COVID -19 pandemic. **Considering the actual revenue realized for the year, the Commission hereby approves Rs.3188.18 lakh as the revenue from sale of power for 2020-21.**

Non-Tariff Income

95. The licensee has booked an amount of Rs.40.94 lakh as non-tariff income for the year 2020-21 in their truing up petition. The licensee has submitted that out of the total interest of Rs. 40.94 lakh, Rs.8.80 lakh is towards interest on the security deposit held by KSEB Ltd and the balance Rs.32.14 lakh is towards interest from bank (Interest on FD on security deposit remitted by consumers to CoPT). The Non-tariff income claimed by the licensee for the year 2019-20 and 2020-21 are summarized below.

Table 35
Details of Non-Tariff Income for the year 2019-20 & 2020-21

Particulars	2019-20		2020-21	
	Truing Up Petition (Rs. lakh)	Trued Up (Rs. lakh)	Approved in ARR (Rs. lakh)	Truing Up Petition (Rs. lakh)
Interest on the Security Deposit held by KSEB	12.55	12.55	255.77	8.8
Interest from Bank	36.37	36.37		32.14
Interest on Accumulated Surplus	-	232.99		-
Total	48.92	281.91	255.77	40.94

96. The Commission vide letter dated 24.02.2022 sought the reason for decrease in interest income from Rs.48.92 lakh in 2019-20 to Rs.40.94 lakh in 2020. The licensee submitted that the main reason for the lower interest as compared to the previous year is due to the lower interest rate obtained for the FD. As per the licensee, last year, they could obtain a higher interest rate of 7.25% as compared to 6.01% this year, thereby showing a reduction in amount received by interest.
97. The Commission further sought details of interest on the amount deposited by CoPT towards Electricity Security Deposit with details of receipt/adjustment details done with KSEB Ltd. The licensee submitted that CoPT has deposited an amount of Rs.210.21 lakh as Security Deposit in cash with KSEB and KSEB has given an interest on the above SD totaling to Rs.8.79 lakh (i.e. 4.18%) and adjusted in their bill for the month of July, 2021.
98. As per the Order on the truing up of accounts for the Financial Year 2019-20 dated 21-06-2021, the licensee is holding an accumulated surplus of Rs.3792.30 lakh. The Commission while issuing the Order on truing up for the year 2019-20 had considered an amount of Rs.232.99 lakh as the interest on accumulated surplus at the base rate of SBI and had approved a total non-tariff income of Rs.281.91 lakh. The Commission while issuing the Order on the ARR & ERC for the year 2020-21 had also considered the interest on accumulated surplus as part of non-tariff income. Accordingly, the interest on the revenue surplus is approved at a rate of 5.70% per annum (the retail term deposit rate of SBI for a tenor of one year as on 01-04-2020) for an amount of Rs.216.16 lakh (Rs.3792.30 lakh x 5.70%). Of the above, the licensee has already accounted Rs.32.14 lakh as interest from bank. The balance amount is Rs.184.02 lakh (216.16 – 32.14). Thus, the total non-tariff income approved for the year 2020-21 is as shown below:

Table 36
Non-Tariff Income allowed for the year 2020-21

Particulars	As per Truing Up Petition (Rs. lakh)	Trued Up (Rs lakh)
Interest on the Security Deposit held by KSEB	8.8	8.8
Interest from Bank	32.14	32.14
Interest on accumulated surplus	-	184.02
Total	40.94	224.96

99. ***The Commission hereby approves the Non-tariff income of Rs.224.96 for the year 2020-21.***

Revenue (Gap)/Surplus after Truing Up of Accounts for 2020-21

100. The licensee in the petition for truing up has claimed a revenue gap of Rs.789.66 lakh as against the approved revenue surplus of Rs.114.00 lakh for the year 2020-21. The approved Total Expenditure and Total Revenue for the year 2020-21 after truing up are as shown below.

Table 37
ARR&ERC after Truing Up for 2020-21

Particulars	2020-21		
	ARR Approved (Rs. lakh)	As per Truing Up Petition (Rs. lakh)	Approved in Trued Up (Rs. lakh)
Purchase of Power	2736.18	2451.19	2449.80
Employee Cost (Provisional)	400.55	769.47	400.55
Repair and Maintenance cost	22.39	24.83	24.83
Administrative & General Expenses	55.42	69.14	69.14
Depreciation	189.12	188.02	192.70
Interest charges on loan term loans	0.00	415.42	1.70
Interest on Working Capital	5.64	7.89	4.89
Interest on consumer security deposits	34.73	23.52	23.52
Return on NFA	65.25	69.30	65.74
Total Expenditure (A)	3509.28	4018.77	3232.87
Revenue from sale of power	3367.52	3188.18	3188.18
Other income	255.77	40.94	224.96
Total income (B)	3623.29	3229.12	3413.14
Revenue (gap)/Surplus (B)- (A)	114.01	-789.66	180.27

Orders of the Commission

101. The Commission after considering the petition filed by M/s. CoPT for truing up of accounts for the year 2020-21, the views presented by the licensee during hearing, comments raised by KSEB Ltd. and the clarifications and details provided by the licensee hereby approves the following.

- a) ***The total expenditure of Rs.3232.87 lakh.***
- b) ***The total revenue of Rs.3413.14 lakh.***
- c) ***The revenue surplus for the year 2020-21 is Rs.180.27 lakh.***
- d) ***The licensee is holding an accumulated surplus of Rs. 3792.30 lakh at the end of the year 2019-20. Thus, the cumulative revenue surplus till 2020-21 will be Rs.3972.57 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.***

102. The Commission issues the following directives for compliance.

- a) ***To examine the reason for the increase in distribution loss and to take proper remedial measures and the same is to be intimated to the Commission within three months from the date of this Order.***
- b) ***The licensee shall furnish the actual financial impact consequent upon the pay revision and VDA revision of each employee and total number of employees in the distribution business, the date of effect given as per the revised pay, arrears of amount paid consequent on this pay revision and VDA revision, promotional increments given etc., in addition to any other items included in additional expenditure paid to consider in the Truing Up of employee cost for the year 2020-21 within three months from the date of this Order.***
- c) ***To submit the petition for approval of Capital expenditure for the years 2019-20 and 2020-21 within three months from the date of this Order.***
- d) ***Attention is also drawn to Para 66 of this Order regarding failure of***

the licensee to obtain prior approval of the Commission for all capital expenditure exceeding the Commission fixed norms. Any further violation shall invite action under Sec 142 and 146 of the Electricity Act, 2003.

103. The petition is disposed of. Ordered accordingly.

Sd/-
Adv. A. J. Wilson
Member (Law)

Sd/-
Preman Dinaraj
Chairman

Approved for issue

Sd/-
Secretary