

KERALA STATE ELECTRICITY REGULATORY COMMISSION THIRUVANANTHAPURAM

Petition No: OP 32 / 2023

Present : **Sri T K Jose, Chairman**
Adv. A J Wilson, Member
Sri. B Pradeep, Member

In the matter of : **Petition for approval of truing up of accounts
for the financial year 2021-22**

Applicant : M/s Cochin Port Authority

Represented by : Smt.Rajashree K Dabke, Sr.Dy CAO, CoPA,
Smt. Surya Madhu, Sr.AO, CoPA

Hearing : 05.07.2023

Venue : Court Hall, Office of the Commission

Order Dated: 17-01-2024

1. M/s Cochin Port Authority formerly known as Cochin Port Trust (hereinafter referred to as the licensee or the petitioner or CoPA) 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 the licensee 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 the licensee performs the distribution of electricity across the entire W/Island area, Vallarpadam and Puthuvypin areas. The licensee is having 2 power drawal points, one at Willington 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 2021-22 (Fourth 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). 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 2021-22 is Rs.148.67 lakh. The licensee in the current petition for truing up for 2021-22, has claimed a Revenue Gap of

Rs.147.34 lakh. A comparison of ARR&ERC Order OA 07/2019 dated 30.10.2019, the truing up petition for the year 2021-22 and the trued-up figures for the immediate previous year is tabulated hereunder.

Table 1
Comparison of Truing Up for 2020-21 and 2021-22 (Rs. lakh)

Particulars	2020-21		2021-22		
	Truing Up Petition	Trued Up	Approved ARR (A)	Truing Up Petition (B)	Variance (B)-(A)
Power Purchase Cost	2451.19	2449.80	2872.95	2533.28	-339.67
R&M Expenses	24.83	24.83	23.48	24.57	1.09
Employee cost	769.47	400.55	419.94	635.10	215.16
A&G Expenses	69.14	69.14	58.11	63.59	5.48
Depreciation	188.02	192.70	188.68	134.47	-54.21
Interest charges on long term loans	415.42	1.70	-	44.74	44.74
Interest on Working Capital	7.89	4.89	5.09	6.81	1.72
Interest on consumer security deposits	23.52	23.52	36.81	22.24	-14.57
Return on NFA	69.30	65.74	59.58	67.02	7.44
Total Expenditure	4018.77	3232.87	3664.63	3531.83	-132.80
Revenue from sale of power	3188.18	3188.18	3557.53	3346.09	-211.44
Other income	40.94	224.96	255.77	38.40	-217.37
Total income	3229.12	3413.14	3813.30	3384.49	-428.81
Revenue Surplus (+)/ Gap (-)	(-789.66)	(+180.27)	(+148.67)	(-147.34)	(-296.01)

Hearing on the Petition

3. The Commission had admitted the petition as OP 32/23 and the hearing on the petition was conducted at the Court Hall, Office of the Commission on 05-07-2023. Smt.Rajashree K Dabke, Sr.Dy CAO, Smt. Surya Madhu, Sr.AO and other officers represented the petitioner. Smt. Rajashree K Dabke briefed the details of the petition and responded to the queries of the Commission.
4. The main points discussed during hearing on the petition are briefed below.
 - a. The number of consumers during 2021-22 is 1213 and the energy sale is 352.66 lakh units.
 - b. Revenue from sale of power is Rs.3346.09 lakh and the Non-Tariff Income claimed is Rs.38.40 lakh.
 - c. The total energy purchased from KSEB Ltd for the year is 363.61 lakhs units and the power purchase cost for the year claimed in the petition is Rs.2533.28 lakh. The distribution loss for the year 2021-22 is 3.58% which is higher than the distribution loss of 1.60% approved in ARR&ERC for the year 2021-22.

- d. The O&M expenses claimed for the year is higher than the norms approved by the Commission. Employee cost claimed for the year is Rs.635.10 lakh which includes terminal benefits @ 11%. The actual number of employees for the year is 45 nos.
 - e. The A&G expense claimed for the year is Rs.63.59 lakh. The major expense booked under the A&G expense is for security arrangements (Rs.38.54 lakh) and electricity charges (Rs.9.42 lakh). The R&M expense claimed for the year is Rs.24.57 lakh.
 - f. The licensee has claimed an amount of Rs.44.74 lakh as the interest charges on long term loans, Rs.6.81 lakh for interest on working capital and Rs.22.24 lakh as the interest on security deposit for 2021-22.
 - g. The depreciation claimed for the year 2021-22 is Rs.134.47 lakh and Rs.67.02 lakh is claimed as return on net fixed assets @ 3%.
 - h. The licensee in the petition for truing up of accounts for 2021-22 has claimed a revenue gap of Rs.147.34 lakh as against a revenue surplus Rs.148.67 lakh approved in ARR Order.
5. KSEB Ltd had filed their counter statement/comments vide letter No. KSEB/TRAC/AE2/CoPA True up/2022-23/223 dated 11.07.2023. The major points raised by KSEB Ltd are the following:
- i. The tariff applied for self-consumption and shore power is to be clarified
 - ii. The licensee's distribution expenses other than power purchase cost are exorbitantly high compared to the approved level in the ARR.
 - iii. The T&D loss may be fixed to the approved level and the cost incurred for power procurement due to higher loss may be disallowed.
 - iv. The O&M expenses claimed in the petition is higher than the approved cost. O&M expenses being controllable, has to be limited to the approved levels.
 - v. Interest and finance charges may be allowed only on documentary evidence of repayment of loan.
 - vi. The claim made by the licensee under power purchase tally with the accounts of KSEB Ltd.
 - vii. Interest on accumulated surplus of the licensee is to be treated as part of non-tariff income as the licensee has not claimed the same.
6. The Commission had sought clarifications on the petition. The licensee vide letter dated 30.06.2023 furnished the replies to the clarifications sought by the Commission. In the clarifications, the licensee had revised certain claims which reduced the revenue gap to Rs.141.80 lakh. The revised claims made is tabulated below;

Table 2
Revised Truing Up claim for 2021-22 (Rs. lakh)

Particulars	2021-22		
	Approved ARR	Truing Up Petition	Revised Petition
Power Purchase Cost	2872.95	2533.28	2533.28
R&M Expenses	23.48	24.57	24.57
Employee cost	419.94	635.10	635.10
A&G Expenses	58.11	63.59	63.59
Depreciation	188.68	134.47	134.47
Interest charges on loan term loans	-	44.74	39.26
Interest on Working Capital	5.09	6.81	6.74
Interest on consumer security deposits	36.81	22.24	22.24
Return on NFA	59.58	67.02	67.02
Total Expenditure	3664.63	3531.83	3526.29
Revenue from sale of power	3557.53	3346.09	3341.83
Other income	255.77	38.40	42.66
Total income	3813.30	3384.49	3384.49
Revenue Surplus (+)/ Gap (-)	+148.67	-147.34	-141.80

Analysis and Decision of the Commission

7. The Commission has carefully considered the licensee's revised petition for Truing Up of Accounts for the year 2021-22, the additional clarifications submitted by the licensee, the views presented by the licensee during hearing and the counter statements furnished by the KSEB Ltd. The analysis and decisions of the Commission on the truing up petition for the Financial Year 2021-22 and other submissions are detailed below.

No. of Consumers & Sale of power

8. The energy sale for the year 2021-22 as per the petition is 352.66 lakh units, as against the approved sale of 430.71 lakh units in the ARR. A comparison of the actual sale of power for the different consumer categories for the year 2020-21 and 2021-22 is given below.

Table 3
Tariff category wise number of consumers and sales for the year 2020-21 & 2021-22

Particulars	2020-21 Trued Up		2021 -22 Truing Up Petition	
	Number of consumers	Units Sold (lakh units)	Number of consumers	Units Sold (lakh units)
LT I	511	8.36	467	7.35
LT II	2	3.29	2	3.05
LT IV A	1	0.05	2	0.12
LT VI A	13	0.61	14	2.41
LT VI B	28	1.81	26	1.30
LT VI B (G)	21	1.36	21	1.55

Particulars	2020-21 Trued Up		2021 -22 Truing Up Petition	
	Number of consumers	Units Sold (lakh units)	Number of consumers	Units Sold (lakh units)
LT VI C	8	2.45	7	2.46
LT VI C (G)	12	0.54	12	0.64
LT VI F	4	2.00	4	2.00
LT VIIA Single Phase	334	2.95	333	3.27
LT VIIA Three Phase	199	27.10	197	33.12
LT VII C	1	0.12	1	0.00
LT VIII B - Street Lights	3	0.08	3	0.09
Self-consumption	54	27.65	88	16.04
STREET LIGHT- SELF	1	11.70	1	3.34
HT I (A) Industry	6	12.34	6	13.50
HT II (A)	1	5.28	1	4.94
HT II B Central Govt	1	3.45	1	3.45
HT IV (A) Commercial	23	193.65	23	204.09
HT IV (B) Hotel	4	40.67	4	49.93
Total	1227	345.44	1213	352.66

9. Compared to the previous year, there is increase in the sales whereas the number of consumers has decreased. During 2021-22, the actual sales has increased by 7.22 lakh units compared to the previous year. The major share of the sale (204.09 lakh units) is to the HT IV (A) Commercial category having 23 consumers. Compared to 2020-21, the sales of HT Category have increased from 255.39 lakh units to 275.91 lakh units.
10. During the previous year, the sales of the licensee had reduced to 345.44 lakh units from 367.34 lakh units in 2019-20 due to wide spread COVID 19 and related lock downs. Now it is seen that the sales have started improving from the impact of COVID 19. **After analyzing the details and duly considering the recovery from COVID 19, the Commission hereby approves the actual energy sales of 352.66 lakh units as per petition for the purpose of Truing Up of Accounts for the financial year 2021-22.**

Energy requirement and Distribution Loss

11. The total energy input for the year 2021-22 is 367.19 lakh units which includes 363.60 lakh units from KSEB Ltd and 3.59 lakh units from Solar generation and export. The Commission in the Order on ARR&ERC dated 30-10-2019 had approved 437.71 lakh units as energy requirement for the year. The actual distribution loss claimed by the licensee as per the truing up petition and Form D 6.2 for the year 2021-22 is 3.58% as against the approved the distribution loss of 1.60% for 2021-22 as per Order on ARR&ERC dated 30-10-2019. The details are tabulated hereunder.

Table 4
Comparison of Distribution Loss

Particulars	2020-21			2021-22	
	ARR Approved	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Energy sales (lakh unit)	405.86	345.44	345.44	430.71	354.06
Energy Requirement (lakh unit)	413.09	352.26	352.06	437.71	367.19
Distribution loss (lakh unit)	7.23	6.82	6.62	7.00	13.14
Distribution loss (%)	1.75%	1.94%	1.88%	1.60%	3.58%

12. As per the details submitted in the petition, total sales for the year is 352.66 lakh units, whereas for computation of distribution loss, the energy sales considered is 354.06 lakh as shown in table above. The Commission notes that an error has crept in which has led to a wrong computation of distribution loss. The Commission also notes that the distribution loss claimed for the year is significantly higher compared to the approved loss of 1.60%.
13. The Commission noted that, in 2021-22 the licensee has included 3.59 lakh units of solar generation for the calculation of distribution loss. In 2020-21 solar generation was not reckoned for calculation of distribution loss. The licensee in their clarification dated 30.06.2023 stated that, the corrections have been carried out in 2021-22 in accordance with the energy audit report dated 07.09.2022 which considered the self-generation units as input units separately and hence have a bearing on the distribution loss also while calculating output units.
14. The Commission noted that the licensee has to take into consideration solar generation also while estimating the losses based on the total energy input and output (including self-solar generation). 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.”

15. During the previous year 2020-21, the Commission had approved 1.88% as the distribution loss. As per the provisions of the Tariff Regulations, distribution loss is a controllable performance parameter. As per regulation 72(4) of the Tariff Regulations, 2018, if actual distribution loss is higher than the approved level, the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average power purchase cost. **Hence, the Commission decides to retain the approved distribution loss of 1.88% for the purpose of truing up of accounts for 2021-22 also. Accordingly, based on the approved distribution loss, the energy requirement for the year 2021-22 is tabulated below.**

Table 5
Distribution loss approved for the year 2021-22

Particulars	2021-22		
	ARR Approved	As Per Truing Up Petition	Approved in Trued Up
Total Energy Sales (lakh units)	430.71	354.06	352.66
Distribution loss (%)	1.60	3.58	1.88
Energy Requirement (lakh units)	437.71	367.19	359.42
Energy Generated from Solar	62.33*	3.59	3.59
Energy Required from KSEB Ltd (lakh units)	375.38	363.60	355.83
Distribution loss (lakh units)	7.00	13.14	6.76
Excess Distribution Loss (in lakh units) (367.19 – 359.42)			7.77

* includes open access units of 55.13 lakh units

Power Purchase Cost

16. The power purchase cost claimed by the licensee for the year 2021-22 amounts to Rs.2533.28 lakh for the purchase of 363.61 lakh units. The Commission while approving the ARR&ERC for the year 2021-22 had approved a power purchase cost of Rs.2872.95 lakh. The ARR Order approved power purchase cost included power purchase from KSEB Ltd (Rs.2615.36 lakh), Own generation (Solar) (Rs.28.80 lakh) and Open access power Rs.228.79 lakh). The power purchase cost claimed by the licensee is as shown below.

Table 6
Power purchase cost claimed for the year 2021-22

Particulars	2021-22		
	W/Island	Vallarpadam	Total
Energy purchase (lakh units)	254.94	108.66	363.61
Total Demand charges (Rs. lakh) (A)	222.37	92.92	315.29
Total energy Charges (Rs. lakhs) (B)	1556.16	662.84	2218.00
Cost of power purchase (A) +(B) (Rs. lakh)	1777.53	755.75	2533.28
Average Power Purchase Cost (Rs. Per unit)			6.97

17. As per the details furnished by the licensee, the average power purchase cost for the year 2021-22 is worked out at Rs.6.97/kWh. As per Regulation 72, excess distribution loss, shall be disallowed at the average cost of power purchase. Considering the approved distribution loss in para 15 and the excess energy loss on account of the higher distribution loss, the approved power purchase cost is worked out as shown below.

Table 7
Power Purchase Cost approved for the year 2021-22

Sl No	Particulars	Approved in Truing up
1	Total cost of power purchase (Rs. lakh)	2533.28
2	Actual quantum of power purchased (in lakh units)	363.61
3	Average cost of purchase (Rs. /kWh) (1) / (2)	6.97
4	Excess distribution loss (in lakh units) (Table 5)	7.77
5	Efficiency Loss (Rs. lakh) (3*4)	54.15
6	Power purchase approved for 2021-22 (1-5) (Rs. lakh)	2479.13

18. ***The excess distribution loss of Rs.54.15 lakh is hereby disallowed from the power purchase cost and the Commission hereby approves power purchase cost of Rs.2479.13 lakh for truing-up for the year 2021-22.***

Operation & Maintenance Expenses

19. The Operation & Maintenance expenses include controllable expenses like Employee Cost, Repair & Maintenance Expenses and 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 of Rs. 501.52 lakh as per norms specified in the Regulations for the year 2021-22. The Commission had vide ARR Order dated 30-10-2019, approved the O&M expenses for the period 2021-22. The actual claim as per the Truing Up Petition for the year 2021-22 and the amount as per norms approved for the year 2021-22 is shown below.

Table 8
Details of O&M Expenses for the year 2020-21 & 2021-22 (Rs. lakh)

Particulars	2020-21	2021-22		Difference in ARR and Truing Up figures
	Trued Up	ARR Approved	Truing Up Petition	
Employee cost	400.55	419.94	635.10	215.16
R&M Expenses	24.83	23.48	24.57	1.09
A&G Expenses	69.14	58.11	63.59	5.48
Total	494.52	501.52	723.26	221.73

20. As shown in table given above, the O&M expenses of Rs.723.26 lakh claimed by the licensee as per truing up claim for 2021-22 is higher than the norms approved in the ARR&ERC Order for the year 2021-22. The Commission has analyzed each of the components submitted by the licensee. The details are given below:

Employee cost

21. The employee cost claimed by the licensee for the year 2021-22 amounts to Rs.635.10 lakh as against Rs.419.94 lakh approved in Tariff Regulations 2018. The employee cost claimed during the year 2020-21 was Rs.769.47 lakh. Even though the employee cost for the year 2021-22 has been reduced from the previous year actuals, the same is higher than the norm amount of Rs.419.94 lakh.
22. The licensee in the petition stated that the actual employee cost claimed during the year 2021-22 amounted to Rs.635.10 lakh which includes the terminal benefits of Rs.62.94 lakh considered @ 11%. As per the petition, the strength of employees deployed for distribution business is 45 persons. The licensee has stated that they had reduced the number of employees from 83 in 2018-19 to 45 in 2021-22 by redeployment and there has been significant decrease in the number. A comparison of the number of employees and the employee cost over the years is tabulated below;

Table 9
Comparison of Number of Employees and Employee cost

Financial Year	No of employees	Employee cost (Rs.lakh)
2021-22	45	635.10
2020-21	59	769.47
2019-20	79	811.73
2018-19	83	925.86

23. A comparison of the employee cost for the current year 2021-22 and previous year 2020-21 is shown below.

Table 10
Comparison of Employee cost claimed for the year 2020-21 & 2021-22 (Rs. lakh)

Particulars	2020-21			2021-22	
	ARR Approved	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Salaries & wages	400.55	683.70	400.55	419.94	557.89
PLR		9.51			7.39
Overtime		-			-
Total		693.21			572.17
Add: Terminal Benefits @ 11%		76.25			62.93
Grand Total	400.55	769.47	400.55	419.94	635.10
Number of employees		59			45

24. The amount of salaries and wages claimed includes Rs.7.39 lakh towards “PLR” which is the bonus payment to the employees of Cochin Port as Productivity Linked Reward (PLR), which is being paid every year as declared by the Ministry of Ports, Shipping & Waterways, Govt. of India. The amount of Rs.7.39 lakh claimed as PLR for the 2021-22 pertains to the bonus paid to the 45 employees deployed in the electricity distribution activities of the Port.
25. The licensee during the hearing had stated that the employee cost 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. 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.
26. With regard to the terminal benefits of Rs.62.94 lakh, the licensee has submitted that the Terminal Benefits includes gratuity, commutation, leave encashment etc. which are accumulated over the years for their payments at the time of retirement of a person. The licensee has stated that the figure of Terminal Benefits in the truing up petition is not the figure which is paid to the employees retired during the years but the fund built up for such payment. Accordingly, the employees which have been retired during 2021-22 has been paid the terminal benefits for which the fund were built up in the earlier years, which were taken in the earlier years of truing up petition. The licensee vide clarifications dated 30.06.2023 has submitted that during 2021-22, 14 employees were retired and the terminal benefits paid to them are much more than the Terminal Benefits of Rs. 62.94 lakh considered in 2021-22 (for e.g. gratuity itself as per the Payment of Gratuity act is up to Rs. 20.00 lakh per employee).
27. The licensee has also stated that the percentage of terminal benefits to the total employee cost is arrived at considering the number of employees deployed in the

Distribution Business and their basic salary, DA, duration of qualifying service, leave at the credit of the employee, age of the employee etc. The last exercise was carried out in 2013-14 to arrive at the percentage of the terminal benefits which is 11.19.% which has since then been continued to arrive at the figure of terminal benefits every year.

28. Commission while truing up the accounts for the year 2020-21 in Order dated 22.03.2022 had provisionally approved an Employee cost of Rs.400.55 lakh, which was as per the norms specified the Commission. In the Order, the Commission had viewed that a final decision of employee cost can be taken only after determination of employee strength for distribution business activity. Subsequently, the commission had considered the petition OP 55/21 filed by the licensee wherein approval was sought for the employee cost for 2018-19 and 2019-20. The Commission vide Order dated 16.07.2022 had rejected petition and had directed to conduct a need-based work study for the optimum utilization of its manpower, with proposals to utilize the excess manpower to other business of the licensee other than electricity distribution activity.
29. The licensee has stated that, as directed by the Commission, they have conducted a need- based work study and a report in the matter was forwarded vide letter dated 24.01.2023. The major submissions made by the licensee is quoted below;

“1. Hon’ble Commission vide Order Dated: 16.07.2022 in O.P No. 55/2021 had directed Cochin Port Authority (CoPA) to conduct a need- based work study for the optimum utilization of its manpower with proposals to utilize the excess manpower to other business of CoPA other than electricity distribution business, Accordingly CoPA had conducted need-based work study for the optimum utilization of its manpower and optimised the utilization of manpower employed in electricity business. Excess manpower had been transferred to other business of CoPA.

2. There were three numbers of major substations and a Power House in W. Island and a 11KV substation at Vallarpadam. There are ten more substations in W. Island. Even though the numbers of consumers is only around 1200, the numbers of substation in Port area is more compared to other licensees due to unique nature of Port's supply requirement. Various substations were maintained inside wharves for providing uninterrupted redundant power supply to ship operations and also for providing uninterrupted power supply to reefer containers. D.G supply was also provided from the power house to ship operations and reefer containers. Employees were posted round the clock in these substations power house for providing uninterrupted power supply to ship operations. So the number of employees deployed was more compared to other licensees.

3. *Later the Container Terminal operations were shifted to Vallarpadam and hence we had rearranged/ re-routed the supply in the W. Island. We had decommissioned dismantled unnecessary substations and other infrastructure. Two major substations in W. Island (Q9 Substation and 11KV Old receiving station) were decommissioned in 2022. Q8 substation, feeding supply mainly to the reefer containers was also dismantled. Reduction in number of employees due to the above exercise is 6 numbers.*
 4. *10 nos of employees from distribution business were transferred to Marine Department vide Chief Mechanical Engineers's order no. PA/Transfer-Ele/2020-M Dtd -08/09/2020 to reduce the number of employees.*
 5. *CoPA has already implemented SMART metering and AMI system in 2020-21. CoPA was able to reduce about five employees due to AMI implementation.*
 6. *No. of employees have been reduced from 83 nos. in FY 2018-19 to 45 nos. in FY 2021-22 due to optimum utilization of employees.*
 7. *Further employees in different substations and Centralized Control Room have been pooled together to optimum utilization of the employees as directed by the Hon'ble Commission. No of employees have been reduced further in FY 2022-23.*
 8. *SCADA Automation has been included in the RDSS scheme of CoPA. Few more employees could be reduced on commissioning the SCADA system. CoPA will continue the need- based work studies for further optimum utilization of manpower as ordered by the Hon'ble Commission.*
30. The Commission noticed that CoPA is owned by Government of India and Salaries, allowances and other benefits to the employees are paid as approved by the Government. Further, the licensee has achieved sizable reduction in the number of employees deployed in the Electricity distribution business. The Commission considered positively, the efforts taken by the licensee to achieve reduction in the number of employees. If the licensee feels that the norms for Employee cost fixed in the current control period (2022-27) is inadequate, the licensee can file a separate petition showing the details of reduction in the employees achieved and justification for revising the norms adequately to compensate the actual employee cost. The Commission will consider the same and take appropriate decision. The year 2021-22 being the last year of the previous control period, the Commission is inclined to approve the Employee cost as per the norms fixed in the Regulations as below;

Table 11
Employee cost approved for the year 2021-22 (Rs lakh)

Particulars	Approved ARR	Truing Up Petition	Trued Up
Employee Cost	419.94	635.10	419.94

31. **Accordingly, the Commission hereby approves the employee expenses for the year 2021-22 as Rs. 419.94 lakh as against Rs.635.10 lakh claimed by the licensee.**

Repair and Maintenance Charges

32. The Repair and Maintenance (R&M) expense claimed by the licensee for the year 2021-22 amounts to Rs.24.57 lakh as against the ARR & ERC approved cost of Rs.23.48 lakh. As per the licensee, Operation and Maintenance costs are the actual costs incurred in respect of electricity distribution business. The actual R&M expense is 4.64% higher than the ARR&ERC approved amount. The claim made by the licensee in their truing up petition is as shown below:

Table 12
Repair and Maintenance claimed for the year 2020-21 & 2021-22 (Rs. lakh)

Particulars	2020-21			2021-22	
	ARR Approved	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Plant and machinery	22.39	24.83	24.83	23.48	24.57
Total	22.39	24.83	24.83	23.48	24.57

33. The licensee in the petition has not submitted any split up details of the R&M expenses claimed for the year nor has submitted a detailed write up to substantiate the expenditure. The Commission is of the considered view that Rs.23.48 lakh, as approved in the Tariff Regulations, 2018 be considered as the R&M expense for the year. **Accordingly, the Commission approves Rs.23.48 lakh as the R&M expenses for the year 2021-22 as against Rs.24.57 lakh claimed in the petition.**

A&G Expenses

34. The licensee in the petition for truing up has claimed an amount of Rs.63.59 lakh as against the approved amount of Rs.58.11 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. A comparison of the actual claim of the licensee for the year 2021-22 with that of Trued Up values for 2020-21 and with the ARR approved value for the year 2021-22 is tabulated below.

Table 13
Comparison of A&G Expenses claimed for 2020-21 & 2021-22 (Rs. lakh)

Particulars	% of expense	2020-21			2021-22	
		ARR Approved	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Rent Rates & Taxes	1%	55.42	5.95	5.95	58.11	6.04
Insurance			0.73	0.73		0.75
Telephone & Postage, etc.	2%		0.30	0.30		0.24
Legal charges	1%		0.55	0.55		0.88
Audit Fees	1%		0.47	0.47		0.77
Conveyance	1%		0.10	0.10		0.11
Vehicle Hiring Expenses Truck / Delivery Van	1%		0.97	0.97		1.09
Electricity charges			9.34	9.34		9.42
Water charges	1%		2.33	2.33		2.09
Entertainment	1%		0.22	0.22		0.01
Fees & subscription	1%		0.01	0.01		0.02
Printing & Stationery	1%		0.07	0.07		0.04
Advertisements, exhibition publicity	1%		0.13	0.13		0.15
Miscellaneous Expenses	1%		0.48	0.48		0.58
License Fee and other related fee			3.05	3.05		2.73
V-sat, Internet and related charges	1%		0.15	0.15		0.12
Security arrangements			44.25	44.25		38.54
Computer Stationery	1%		0.03	0.03		0.03
Gross A&G Expenses			55.42	69.14		69.14

35. The major expense claimed by the licensee under the head A&G is security expenses amounting to Rs.38.54 lakh. The security expenses have reduced by Rs.5.71 lakh compared to Rs.44.25 lakh incurred in the previous year 2020-21. 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 14
Details of CISF Security staff deployed in distribution business

Particulars	2020-21	2021-22
No: of Personnel	231	148
Salary for the month	119.34	66.01
Leave salary Contribution	10.94	6.56
Pension Contribution	11.67	6.65
Total Cost	141.95	79.22
Cost / Personnel	0.61	0.54
Total cost of 6 personnel p.a	44.25	38.54

36. The Commission while truing up the accounts for the year 2020-21, had considered the expenses towards security expenses in full and had approved A&G expenses 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. 38.54 lakh expended towards CISF security.***
37. ***The Commission noticed that during the year 2020-21, the Commission approved Rs.69.14 lakh as A&G expenses being the actual expenses incurred by the licensee. As the actual A&G expenses incurred for the year 2021-22 is Rs.63.59 lakh which is lower than the approved A&G expenses for the previous year, the Commission is of the considered opinion to approve the actual expenses claimed in the petition. The Commission hereby approves the A&G expenses of Rs.63.59 lakh for the year 2021-22 after carefully examining the details submitted by the licensee.***

Summary of O&M Expenses approved for 2021-22

38. The summary of O&M expenses approved by the Commission for the year 2021-22 is shown below.

Table 15
O&M expenses approved for 2021-22 (Rs. lakh)

Particulars	ARR Approved	Truing Up Petition	Trued Up
Employee cost	419.94	635.10	419.94
R&M Expenses	23.48	24.57	23.48
A&G Expenses	58.11	63.59	63.59
Total	501.53	723.26	507.01

39. ***The Commission hereby approves the Total O&M expense of Rs.507.01 lakh for the year 2021-22.***

Depreciation

40. In the truing up petition for 2021-22, the licensee has claimed depreciation of Rs.134.47 lakh as against Rs.188.68 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 the 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. The details of claim made by the licensee are shown below.

Table 16
Depreciation claimed for the year 2021-22 (Rs. 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	Deprecation during the year	Cumulative at the end of the year
Distribution lines (LT lines)	41.91	-	41.91	4.19	29.06	1.33	30.39
Sub-station equipment	3,869.11	-	3,869.11	386.91	1,868.58	113.90	1982.47
Transformers (11KV)	370.28	-	370.28	37.03	252.57	12.17	264.74
Others	216.00	-	216.00	21.60	113.58	7.07	120.65
Meters	5.67	-	5.67	0.57	5.03	0.00	5.03
Gross Asset	4,502.96	-	4,502.96	450.30	2,268.81	134.47	2403.28

41. The licensee has not made any asset addition during the year 2021-22. The Commission while truing up the accounts for the year 2020-21 had approved Rs.192.70 lakh as depreciation considering the closing GFA and NFA as recasted by the Commission for the year 2019-20 and taken as the opening GFA and NFA for the year 2020-21. The methodology was adopted by the Commission due to the reason that the licensee had not submitted proper documents regarding asset additions for obtaining formal approval of the Commission.
42. The licensee had subsequently filed a separate petition for approval of capital investments for the year 2019-20 and 2020-21 as directed by the Commission. Commission had considered the petition in detail and had taken a considered decision in the petition OP No.11/23 vide Order dated 01.01.2024, wherein the Commission has approved assets addition of Rs.226.77 lakh.
43. The Commission feels that the opening GFA and depreciation claimed in the present petition is without considering the assets addition claimed by the licensee in the Capital Investment petition. It is also seen that the depreciation claimed by the licensee is significantly lower than that of the previous year claim. The licensee is eligible for depreciation at the rate specified in the Regulations for first twelve financial years from the date of Commercial Operation, and after twelve years, the remaining depreciable value shall be spread over the balance useful life of the assets. The salvage value of the asset is ten per cent and depreciation shall be a maximum of ninety per cent of the asset. The Commission is not in a position to reliably estimate the actual percentage of depreciation applicable for assets from the information given by the licensee.
44. ***Under these circumstances, the Commission is of the considered view that the approval of depreciation for the year 2021-22 is to be deferred. The***

licensee is therefore directed to submit before the Commission, the details of depreciation for the years 2019-20, 2020-21 and 2021-22, duly considering the Capital Investments made during the years, within a period of three months from the date of this Order. The depreciation shall be considered for approval after prudence check along with the Truing Up of accounts for the year 2022-23.

Interest and Finance Charges

45. The licensee for the year 2021-22 has claimed a total interest and finance charge of 68.24 lakh which includes an amount of Rs.39.26 lakh as the interest charges on long term loans, Rs.6.74 lakh for interest on working capital and Rs.22.24 lakh as the interest on security deposit for the year 2021-22. A comparison of the interest and finance charges for 2020-21 and 2021-22 is tabulated below.

**Table 17
Interest and finance charges for the years 2020-21 & 2021-22 (Rs. Lakh)**

Particulars	2020-21		2021-22	
	Truing Up Petition	Trued Up	Approved in ARR	Truing Up Petition
Interest charges on loan term loans	415.42	1.70	-	39.26
Interest on Working Capital	7.89	4.89	5.09	6.74
Interest on consumer security deposits	23.52	23.52	36.81	22.24
Total	446.83	30.11	41.90	68.24

Interest and finance charges on loans

a. Interest on GOI Loan

46. 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 and has stated that the same shall be paid from the year 2023-24. Since no interest has actually been paid to the Government of India on the expectation of receipt of moratorium of loan from the

Ministry, no amount is approved on this account. The licensee can claim this amount, as and when this payment occurs, in the petition for Truing Up of accounts of the relevant financial year and the Commission shall consider the same.

b. Interest on Loan from CoPA for Capital Expenditure

47. The licensee has stated that they have granted financial Assistance under IPDS Scheme by the Ministry of Power and the Port has received Rs.5.20 Lakh during 2021-22. 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 CoPA. It is seen that the licensee treats the fund used for acquiring capital assets as a notional loan from the Cochin Port Trust. The licensee has further claimed an amount of Rs.39.26 lakh towards interest on notional loan from CoPA as shown below.

Table 18
Interest charges claimed for Loan from CoPA for CAPEX

Particulars	Rs. lakhs
Gross Loan -Opening	611.99
Cumulative repayments of Loans upto previous year	-
Net loan-Opening	611.99
Add: Drawal(s) during the Year	(162.82)
Less: Repayment (s) of Loans during the year	-
Net loan - Closing	449.17
Average Net Loan	530.58
Rate of Interest on Loan on annual basis	7.40%
Interest on loan	39.26

48. During the year 2021-22, the licensee has not incurred any amount towards capital expenditure. 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 as interest on normative loan.
49. As mentioned in para 44 of this Order the Commission has deferred the claim of depreciation due to non-availability of complete information. Under this circumstance the Commission is of the view that the interest on loan shall be considered only along with the Truing up of Accounts 2022-23. **Accordingly, the Commission defers the claim of interest on normative loan and the same shall be considered along with Truing Up of accounts for the year 2022-23 along with the depreciation.**

Interest on Working Capital

50. The interest on working capital is claimed by the licensee at the rate of 9.00% which is the prevailing MCLR rate plus two percent. The MCLR rate prevailing as on 1st April 2021 is 7.00%. The licensee has claimed an interest on working capital of Rs.6.74 lakh as against Rs.5.09 lakh approved in ARR&ERC for the year 2021-22. The details of interest on working capital claimed by the licensee are as shown below.

Table 19
Interest on Working Capital claimed for the year 2021-22 (Rs. lakh)

Particulars	2021-22	
	ARR Approved	Truing Up Petition
O&M expenses - One Month	89.23	60.27
Maintenance Spares (as per norms)	-	-
Receivables - Two Months (Revenue from sale of power)	585.22	556.97
Total (A)	674.45	617.24
Less:		
Security deposits from Consumers (B)	624.31	542.33
Total Working Capital (A)-(B)	50.14	74.92
Interest Rate (as per norms)	10.15%	9.00%
Interest on Working Capital (actual)	5.09	6.74

51. The Commission sought clarification regarding the claim of interest on working capital as the licensee had installed smart meters for all the consumers and holding Security Deposits from consumers. The licensee submitted that, Cochin Port Authority is collecting Security Deposit for the electricity charges only as Cochin Port has not implemented prepaid metering system. The security deposit was not even collected from the consumers for the smart meters installed by CoPA as the grant has been received from the GOI. The security charges which are considered in the working capital are towards the electricity charges and not towards meters. As already stated above, since CoPA has not implemented prepaid metering, Security Deposit for the Electricity Charges is required to be collected from the consumers as per the Kerala Electricity Supply Code, 2014.
52. The normative level of working capital for the Financial Year is to be calculated as per 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 CoPA for the year 2021-22 as per the Regulations and the interest thereon is as estimated below.

Table 20
Interest on Working Capital approved for the year 2021-22 (Rs. lakh)

Particulars	2021-22	
	For the year	For Working capital
O&M expenses (one month)	507.01	42.25
Cost of Spares	-	-
Receivables (Revenue from sale of power) - 2 months revenue	3341.83	556.97
Total (A)		599.22
Less:		
Security Deposit from consumers (B)		542.33
Working Capital (A-B)		56.89
Interest Rate (as per norms)		9.00
Interest on working capital		5.12

*SBI 1-year MCLR 7.00% on 01-04-2021 plus 2% thereof total 9.00%

53. **Accordingly, the Commission hereby approves Rs.5.12 lakh as interest on working capital for the year 2021-22.**

Interest on Security Deposits

54. The licensee has also claimed an amount of Rs.22.24 lakh as the interest on security deposit paid to the consumers of CoPA for the year 2021-22. The amount of security deposit from consumers for the year 2020-21 and 2021-22 are Rs.522.40 lakh and Rs.542.33 lakh respectively. There is an increase in the security deposit from consumers compared to the previous year. **After examining the details furnished by the licensee, the Commission hereby approves Rs.22.24 lakh as claimed by the licensee towards the interest on security deposit for the year 2021-22.**
55. **Thus, the interest and finance charges provisionally approved for the year 2021-22 is as given below.**

Table 21
Interest and finance charges approved for the year 2021-22 (Rs. lakh)

Particulars	2020-21		
	ARR Approved	Truing Up Petition	Trued Up
Interest and finance charges on long term loans	-	39.26	-
Interest on Working Capital	5.09	6.74	5.12
Interest on consumer security deposits	36.81	22.24	22.24
Total	41.90	68.24	27.36

Return on NFA

56. The licensee has claimed return on net fixed assets @3% at Rs.67.02 lakh. The Commission had allowed a return of Rs.59.58 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.2234.15 lakh. The details of claim made by the licensee are shown below.

Table 22
Return Net Fixed Assets for the year 2020-21 and 2021-22 (Rs. lakh)

Particulars	2020-21		2021-22	
	Truing Up Petition	Trued Up	ARR Approved	Truing Up Petition
Net Fixed Assets net of Consumer Contribution & Grants (at the beginning of the year)	2309.87	2191.34	1986.02	2234.15
Rate of return	3.00%	3.00%	3.00%	3.00%
Total return on net fixed assets	69.30	65.74	59.58	67.02

57. As mentioned in para 44 of this Order the Commission has deferred the claim of depreciation due to non-availability of complete information. Therefore, the Commission is not in a position to work out the NFA at the beginning of the year and Return on NFA. The RoNFA will be considered along with the Truing up of Accounts 2022-23. **Accordingly, the Commission defers the claim of Rs.67.02 lakh and the same shall be considered along with the Truing Up of accounts for the year 2022-23 along with the depreciation and interest on normative loan.**

Revenue from Sale of Power

58. The actual revenue from sale of power for the year 2021-22 is Rs.3341.83 lakh for 352.66 lakh units against approved revenue from sale of power of Rs.3557.53 lakh for 430.71 lakh units as in the ARR Order. A category wise comparison of the revenue from sale of power for the years 2020-21 & 2021-22 is as shown below.

Table 23
Details of Revenue from Sale of Power for 2020-21 & 2021-22

Particulars	2020-21 Trued Up				2021-22 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	511	8.36	37.67	4.51	467	7.35	32.05	4.36
LT II	2	3.29	30.94	9.40	2	3.05	28.30	9.27
LT IV A	1	0.05	1.63	32.60	2	0.12	1.80	14.85
LT VI A	13	0.61	4.83	7.92	14	2.41	16.88	7.01
LT VI B	28	1.81	15.13	8.36	26	1.30	10.19	7.82
LT VI B (G)	21	1.36	12.24	9.00	21	1.55	13.35	8.60
LT VI C	8	2.45	25.94	10.59	7	2.46	25.55	10.38
LT VI C (G)	12	0.54	6.53	12.20	12	0.64	7.38	11.56

Particulars	2020-21 Trued Up				2021-22 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 VI F	4	2.00	19.74	9.88	4	2.00	19.16	9.60
LT VIIA Single Phase	334	2.95	30.72	10.41	333	3.27	29.87	9.13
LT VIIA Three Phase	199	27.10	444.33	16.40	197	33.12	413.27	12.48
LT VII C	1	0.12	1.19	9.92	1	0.00	0.02	22.10
LT VIII B - Street Lights	3	0.08	0.35	4.38	3	0.09	0.41	4.50
Self-consumption	54	27.65	90.11	3.26	88	16.04	128.16	7.99
STREET LIGHT-SELF	1	11.70	36.57	3.13	1	3.34	14.35	4.30
HT I (A) Industry	6	12.34	110.28	8.94	6	13.50	126.38	9.36
HT II (A)	1	5.28	41.75	7.91	1	4.94	39.78	8.05
HT II B Central Govt	1	3.45	30.89	8.95	1	3.45	30.16	8.75
HT IV (A) Commercial	23	193.65	1870.77	9.66	23	204.09	1960.57	9.61
HT IV (B) Hotel	4	40.67	376.55	9.26	4	49.93	444.20	8.90
	1227	345.44	3188.18		1213	352.66	3341.83	

59. From the above table, it is clear that the major revenue is received from HT IV (A) Commercial category (Rs.1870.77 lakh). The Commission notes that though there is decrease in the number of consumers, there is increase in the sales during the year. Considering the signs of recovery from the general industrial slowdown due to the Covid-19 pandemic, ***the Commission approves the actual revenue of Rs.3341.83 lakh realized for the year as the revenue from sale of power for 2021-22.***

Non-Tariff Income

60. The licensee has booked an amount of Rs.42.66 lakh as non-tariff income for the year 2021-22 in their truing up petition. The licensee has submitted that out of the total interest of Rs. 42.66 lakh, Rs.6.67 lakh is towards miscellaneous receipts and Rs.35.98 lakh towards interest on the security deposit held by KSEB Ltd and 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 2020-21 and 2021-22 are summarized below.

Table 24
Non-Tariff Income for the year 2020-21 & 2021-22 (Rs. lakh)

Particulars	2020-21		2020-21	
	Truing Up Petition	Trued Up	Approved in ARR	Truing Up Petition
Interest on the Security Deposit held by KSEB	8.80	8.80	255.77	35.98
Interest from Bank	32.14	32.14		6.67
Miscellaneous Receipts	-	-		-
Interest on Accumulated Surplus	-	184.02		-
Total	40.94	224.96	255.77	42.65

61. As per the Order on the truing up of accounts for the Financial Year 2020-21 dated 29-03-2022, the licensee is holding an accumulated surplus of Rs.3972.57 lakh. The Commission while issuing the Order on truing up for the year 2020-21 had considered an amount of Rs.184.02 lakh as the interest on accumulated surplus. 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 the rate of 5.00% per annum (the retail term deposit rate of SBI for a tenor of one year as on 01-04-2021) amounting to Rs.198.63 lakh (Rs.3972.57 lakh x 5.00%). Of the above, the licensee has already accounted Rs.35.98 lakh as interest from bank and other deposits. ***The balance amount of Rs.162.64 lakh (198.63 – 35.98) is provisionally approved subject to the approval of depreciation, interest on normative loan and return on NFA. Thus, the total non-tariff income approved for the year 2021-22 is as shown below:***

Table 25
Non-Tariff Income allowed for the year 2021-22 (Rs. lakh)

Particulars	As per Truing Up Petition	Trued Up
Interest on the Security Deposit held by KSEB	42.65	42.65
Interest from Bank		
Miscellaneous Receipts		
Interest on accumulated surplus	-	162.64
Total	42.65	205.29

62. ***The Commission hereby approves the Non-tariff income of Rs.205.29 lakh for the year 2021-22.***

Revenue (Gap)/Surplus after Truing Up of Accounts for 2021-22

63. The licensee in the petition for truing up has claimed a revenue gap of Rs.147.34 lakh as against the approved revenue surplus of Rs.148.67 lakh for the year 2021-22. The approved Total Expenditure and Total Revenue for the year 2021-22 after truing up are as shown below.

Table 26**Income and Expenditure Statement after Truing Up of Accounts for 2021-22 (Rs.lakh)**

Particulars	Approved ARR	Revised Petition	Trued Up Amount
Power Purchase Cost	2872.95	2533.28	2479.13
R&M Expenses	23.48	24.57	23.48
Employee cost	419.94	635.10	419.94
A&G Expenses	58.11	63.59	63.59
Depreciation	188.68	134.47	-
Interest charges on long term loans	-	39.26	-
Interest on Working Capital	5.09	6.74	5.12
Interest on consumer security deposits	36.81	22.24	22.24
Return on NFA	59.58	67.02	-
Total Expenditure	3664.63	3526.29	3013.50
Revenue from sale of power	3557.53	3341.83	3341.83
Other income	255.77	42.66	205.29
Total income	3813.30	3384.49	3547.12
Revenue Surplus (+)/ Gap (-)	+148.67	-141.80	533.62

Orders of the Commission

64. The Commission after considering the petition filed by M/s. Cochin Port Authority for Truing Up of Accounts for the year 2021-22, views presented by the licensee during the hearing and the clarifications and details provided by the licensee approves the following:

- a) **Total income is Rs. 3547.12 lakh**
- b) **Total expenditure is Rs.3013.50 lakh (provisional)**
- c) **The revenue surplus for the year 2021-22 is Rs.533.62 lakh (provisional)**
- d) **Total cumulative revenue surplus till 2021-22 will be Rs.4506.19 lakh (Rs.3972.57 lakh as opening cumulative revenue surplus + current year revenue surplus of Rs.533.62 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.**

Directives

65. The Commission issues the following directives for compliance by the licensee.

- 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 is directed to submit the details of depreciation for the years 2019-20, 2020-21 and 2021-22, duly considering the Capital Investments made during the years, within a period of three months from the date of this Order.

- c) If the licensee feels that the norms for Employee cost fixed in the current control period (2022-27) is inadequate, the licensee can file a separate petition showing the details of reduction in the employees achieved and justification for revising the norms adequately to compensate the actual employee cost.
- d) The licensee is directed based on the Order dated 01.01.2024 to submit energy audit reports for each DTR area, for each feeder and for the license area based on energy readings from the smart meter, along with true up petition for the financial years from 2022-23 onwards. The licensee shall also submit the average daily demand pattern of each category of consumers in different seasons of the year.

66. The petition is disposed of. Ordered accordingly.

Sd/-
Sri. T.K Jose
Chairman

Sd/-
Adv. A. J. Wilson
Member

Sd/-
Sri. B. Pradeep
Member

Approved for issue
Sd/-
C.R.Satheesh Chandran
Secretary