KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : **Shri T K Jose, Chairman**
Shri B Pradeep, Member

OP. No 63/2025

In the matter of : Petition for the Truing up of accounts of KSEBL for the financial year 2024-25

Petitioner : Kerala State Electricity Board Ltd
Vydhyuthi Bhavanam,
Pattom Thiruvananthapuram

ORDER DATED 21.05.2026

In compliance to Regulation 27(6) of KSERC (Conduct of Business) Regulations, 2003, the Kerala State Electricity Regulatory Commission having considered the petition for approval of the Truing up of Accounts for the year 2024-25 filed by the Kerala State Electricity Board Limited on 28.11.2025, published a summary of this petition in the Kerala Kaumudi daily and New Indian Express on 15.12.2025. Thereafter, as per Regulation 32 of KSERC (Conduct of Business) Regulations, 2003, a public hearing on the petition was held on 04.02.2026 at Court Hall of the Commission, wherein stakeholders presented their views and objections.

After having carefully considered the submissions and documents on record filed by KSEBL, electricity consumers/general public and other stakeholders and in exercise of the powers vested in the Commission under Section 62 and 64 of the Electricity Act, 2003 (Central Act 36 of 2003) and KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, the Commission hereby pass the following Order.

Dated this the 21st May 2026

Sd/-
T K Jose
Chairman

Sd/-
B Pradeep
Member

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CHAPTER -1

INTRODUCTION

Background

1.1 Kerala State Electricity Board Limited (hereinafter referred to as KSEBL or licensee), on 28.11.2025, filed the petition before the Commission for approval of truing up of accounts of their three Strategic Business Units viz., SBU-G, SBU-T and SBU-D of KSEB Ltd for the year 2024-25. The petition was filed as per the provisions of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (*hereinafter referred to as the Regulations*).

Statutory provisions

1.2 Section 61 of the Electricity Act, 2003 (EA-2003) confers power on the Electricity Regulatory Commissions to specify by regulations, the terms and conditions for the determination of tariff in accordance with the principles stipulated therein. Section 62 of the EA-2003 empowers the Commission to determine tariff for generation of electricity, transmission of electricity, wheeling of electricity and for retail sale of electricity. Section 64 of the Act prescribes the procedure for determination of tariff and issuance of tariff order.

Commission has, in exercise of its powers under Section 61 of the Act, and after following the due process had notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, on 16.11.2021 (herein after referred to as Tariff Regulations, 2021), which specify the detailed principles and procedures for determination of ARR, ERC and tariff during the MYT period from 2022-23 to 2026-27.

1.3 Clause (f) of Section 61 of the Electricity Act, 2003, stipulates that MYT Principles shall be introduced while issuing the tariff regulations. The Commission has incorporated MYT Principles in the Tariff Regulations, 2021. Clause (h) of para 5.11 of the Tariff Policy, 2016, also stipulates the guidelines for introduction of MYT Tariff.

As per Regulation 9 of the Tariff Regulations, 2021, multi year tariff frame work shall be applicable for the determination of ARR, ERC and Tariff during the MYT period from 2022-23 to 2026-27. Relevant provisions are extracted below:

"9. Multi Year Tariff (MYT) framework. -

(1) The multi-year tariff framework under these Regulations shall be applicable for determination of tariff by the Commission, on matters covered under clauses (i) to (vii) of Regulation 2 of these Regulations, for a generating business/ company, transmission business/ licensee, distribution business/ licensee and theState Load Despatch Centre.

(2) The multi-year tariff framework for the generating business/ company, transmission business/ licensee, distribution business/ licensee and the State Load Despatch Centre, for calculation of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges (ARR & ERC), shall be based

on thefollowing elements:-

(i) Forecast of Aggregate Revenue Requirement (ARR) for the Control Period along with the expected revenue from the existing and proposed tariff and charges, separately for each year of the Control Period;

(ii) Truing up of the expenses and revenue of the respective year based on the audited accounts of the business/ licensee vis-à-vis the Commission approved forecast and variation, caused by the controllable factors and uncontrollable factors, as specified in Regulation 12 of these Regulations;

(iii) The mechanism for pass-through of the approved gains or losses on account of the uncontrollable factors as specified by the Commission in Regulation 13of these Regulations;

(iv) The mechanism for sharing of the approved gains arising out of controllable factors as specified by the Commission in Regulation 14 of these Regulations;

(v) Approval of the Aggregate Revenue Requirement of the business/ licensee by the Commission for the Control Period along with the determination of tarifffor each year of the Control Period;

(vi) Mid-term Performance Review (MPR) in year 2024-25, based on the trued up figures for 2022-23 and 2023-24 and the annual performance review upto September 2024. The Commission shall take into account, the uncontrollable parameters and the variations in actual performance on account of the controllable parameters for the respective years of the Control Period; vis-à-vis, the ARR approved for the Control Period and the revised forecast for the years 2024-25, 2025-26 and 2026-27, on account of the unanticipated variations, if any, on the controllable and uncontrollable parameters.

1.4 Regulation 9 of the Tariff Regulations 2021, provides that the control period shall be five years starting from 2022-23 to 2026-27. The relevant provisions are given below:

"Control Period. –

(1) The Control Period is the period for which the principles and norms specified under these Regulations shall be applicable.

(2) The Control Period shall be a block of five financial years starting from the first day of April, 2022 and ending on the thirty first day of March, 2027:

Provided that the Commission may, if considered necessary, through an Order extend the validity of these Regulations beyond the thirty first day of March,2027, to such period or periods as deemed appropriate."

1.5 As per the Second Transfer Scheme notified by the Government under Section 131 of the Electricity Act, 2003, the activities of the KSEB Ltd are being carried out through the three Strategic Business Units (SBUs) for each of the functions of generation, transmission and distribution. Accordingly, in compliance with the provisions in the Tariff Regulations, 2021 and the Order on the ARR&ERC dated 25.06.2022, applicable for the control period 2022-23 to 2026-27, KSEBL had filed the SBU wise details of the ARR and ERC for the year 2024-25 for the purpose of Truing Up.

1.6 The summary of the consolidated ARR, ERC and Revenue gap claimed by KSEB Ltd for True up for the year 2024-25 is given below.

Table-1.1
Summary of the ARR, ERC and Revenue gap claimed for Truing up petition for the Year 2024-25

Particulars	MYT Order dated 25.06.2022	Accounts	Truing Up petition	Deviation of claim over MYT Order
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Generation Of Power		5.17	5.17	5.17
Purchase of power	10716.26	12749.65	12930.60	2214.34
Interest & Finance Charges	2192.66	1846.10	2584.39	391.73
Depreciation	834.56	2098.84	861.95	27.39
O&M cost	4750.79	5765.22	4880.54	129.75
Other Expenses	0.00	109.37	40.49	40.49
Additional contribution to Master Trust	400.00	0.00	400.00	0.00
Gains on T&D loss reduction	0.00	0.00	131.85	131.85
Edamon Kochi Compensation	19.02	0.00	7.68	-11.34
Thrissur Pugalur Compensation	0.00	0.00	1.36	1.36
Incentive for achievement of Tr target availability	0.00	0.00	11.52	11.52
Amortization of intangible assets- software	0.00	13.22	13.22	13.22
Amortization of past gap	850.00	0.00	0.00	-850.00
Return on Equity	489.87	0.00	489.87	0.00
Exceptional item	0.00	-475.91	18.38	18.38
Repayment of bond	407.20	0.00	407.20	0.00
Registration charge of Solar refunded	0.00	0.00	24.18	24.18
Refund of Liquidated damages	0.00	0.00	16.43	16.43
Net Expenditure (A)	**20660.36**	**22111.66**	**22824.83**	2164.48
Non-Tariff Income	910.28	963.62	965.10	54.82
Revenue from tariff & external sale	16729.78	21719.26	**20805.94**	4076.16
Total Income (B)	**17640.06**	**22682.88**	**21771.04**	**4130.98**
Revenue surplus /(Gap) (B-A)	**-3020.30**	**571.22**	**-1053.79**	1966.51

1.7 The copy of the petition was published in the website of the Commission on 02.12.2025 for the information and comments of the public and stakeholders. Further, as per the provisions of the Electricity Act, 2003 and KSERC (Conduct of Business) Regulations 2003 and its amendments, KSEB Ltd published the summary of the petition in the following dailies:

(a) Kerala Kaumudi daily dated 15.12.2025
(b) New Indian Express daily dated 15.12.2025

1.8 KSEB Ltd submitted additional information sought by the Commission and its detailed comments on the comments/objections by the stakeholders, vide the letter dated 30.12.2025, 02.02.2026 and 30.03.2026.

1.9 Public hearing on the petition was held on 04.02.2026 at the Court Hall of the Commission. The list of stakeholders participated in the hearing is given as **Appendix 1.**

The summary of the deliberations on the Truing Up of Accounts for the year 2024-25 of KSEB Ltd is given as Appendix to Chapter-1 of this Order.

1.10 The Commission after examining the petition and the clarifications furnished thereon in detail and the objections of the stakeholders, has arrived at the truing up of accounts of the KSEB Ltd for the year 2024-25 as detailed in the ensuing chapters.

Appendix to Chapter-1
Objections raised by Stakeholders against the petition for approval of the Truing Up of Accounts filed by KSEB Ltd and the views of the Commission

Issue No. 1. Adverse audit observation by Independent Auditors

Objections by the Stakeholders

1. M/s Kerala HT & EHT Industrial Electricity Consumers' Association, Shri. Xavier Mathew Antony, Shri. Sasikumar, Shri. Mohamed Ibrahim Konnola has raised the adverse audit observation by statutory auditors in the audit report of the accounts of KSEBL for the year 2024-25. Main observation of the statutory auditors are summarised below.

   (a) KSEBL has not provided the records relating to the land properties held by it including the title deeds, present ownership details, etc., for audit.

   (b) KSEBL is not following the practice of derecognizing the property, plant and equipment sold, exchanged, damaged, discarded or abandoned. Its impact on the depreciation, R&M expenses, other operating income and carrying value of property, plant and equipment could not be ascertained.

   (c) The accounting principles and policies formulated by KSEBL for classifying the costs incurred for various works into capital and revenue expenditures were not applied consistently resulting in under / over statement of assets and expenditure of the Company.

   (d) Regarding derecognition of property, plant and equipment due to assets lost in natural calamities, in the absence of the detailed list of assets lost, the gross value of assets derecognised, accumulated depreciation and loss or gain on receipt of compensation from the Government cannot be ascertained.

   (e) KSEBL is in the practice of capitalising the borrowing costs, employee costs and administration and general expenses directly attributable to the assets booked under capital work in progress without considering the date of completion/ readiness for use of the asset resulting in understatement / overstatement of the carrying value of the Capital work in progress due to which the consequential effect on finance cost could not be ascertained.

   (f) With respect to cash and cash equivalents, KSEBL has not provided proper reconciliations for various bank account balances reported in the financial statements. These result in the overstatement or understatement of the balances presented under "Cash and Cash Equivalents" and the corresponding accounts. Furthermore, due to the lack of reconciliations, we are unable to comment on the impact on the financial statements.

   (g) In the absence of adequate information regarding the amount received as Deposits for electrification, corresponding works pending for completion and subsequent recognition and amortization of the amount collected as grants and depreciation of the property, plant & equipment capitalised upon completion of the works, we are unable to ascertain the impact on the value of property, plant & equipment and its depreciation, grants recognised and its amortization as

income, value of work pending to be executed and corresponding amounts collected.

2. Shri Jijikumar, Shri Mohanan K, Shri Asokakumar also raised the similar issues on adverse audit observations.

Reply by KSEBL

3. KSEBL submitted that, a detailed reply to the observations to the audit has been included in the 14th Annual Report of KSEBL for the year 2024-25. The same is available at the website of KSEBL for information of all stakeholders.

4. KSEBL further submitted that, the Statutory Auditors appointed by the Comptroller and Auditor General (C&AG) have been conducting the audit of KSEBL since the year 2013-14 after its inception on 31.10.2023. There was no such observations in the earlier years.

5. But the matters forming the basis of the adverse opinion for FY 2024–25 are substantially the same as those that resulted in a qualified opinion for FY 2023–24. Most of the qualifications are relate to Fixed Asset Register, which is a legacy issue. The resolution of this matter is dependent upon the implementation of a comprehensive software system, which is expected to be rolled out in the near future.

The adverse opinion for FY 2024–25 does not arise from fresh irregularities during the year but from the continued existence of legacy and system-driven issues that were already subject to qualification in FY 2023–24. On perusal of the audit report, it is observed that most of the qualifications are general in nature, relate to legacy matters, and have not been quantified. Further, the audit report does not specifically state that the issues pointed out have newly emerged during FY 2024–25.
KSBEL has already initiated substantive corrective measures to address the concerns raised by the auditors. It is expected that the majority of the issues and anomalies highlighted in the audit report will be rectified, complied with, or substantially resolved in the Financial Statements for the year 2025–26. In view of the above, it is most respectfully submitted that the above explanation may kindly be considered for approving the True Up petition.

Observation and directions of the Commission

6. Commission has noted the adverse audit observation of statutory auditors, issues raised by the stakeholders and reply by KSEBL.

Commission noted that, most of the issues raised by the auditors can be resolved by proper upkeep and maintenance of fixed asset register with software support.

Further, other issues including cash and cash equivalents, reconciliations of bank accounts etc can be resolved by proper implementation of the accounting softwares. Further, it is reported that these are already implemented in KSEBL.

The Commission noted that the adverse remarks may affect the credentials as well as rating of KSEBL.

Commission is of the considered view that, KSEBL management shall give due considerations and importance to resolve the issues raised by the statutory auditors and may resolve the issue during the Year 2025-26 itself.

Hence, Commission hereby direct the Director (Finance) of KSEBL to give personal attention to resolve these issues and avoid adverse remarks from the year 205-26 onward. The progress shall be reported within three months from the date of this Order.

Issue No.2 Auxiliary consumption of the hydel plants is 1.28% of the total generation as against 1.20% approved by the Commission

Objections by Stakeholders

7. HT&EHT Association submitted that, for FY 2024-25, KSEBL has claimed auxiliary consumption of 93.72 MU for its generating stations, which is higher than the 89.58 MU approved by the Commission. Table G4 reveals that actual auxiliary consumption for hydel stations reached 93.68 MU (1.28%), exceeding the approved 89.38 MU (1.20%). This represents a 0.08% increase over the allowable percentage.

Stakeholders requested that, Commission may allow auxiliary consumption strictly to the permissible level as per the provisions of the Tariff Regulations in the process of Truing Up.

Reply by KSEBL

8. KSEBL submitted reasons for the increase in auxiliary consumption of few hydel plants over the norms specified in the Tariff Regulations, 2021. Details are given below.

- Sengulam Power House: The station utilizes the tail water of Pallivasal Power House for power generation, which is collected in the forebay near the power house and is pumped over a head of 9.14m to the Sengulam balancing reservoir. The energy consumption of the pump house is accounted for under the auxiliary consumption of Sengulam Power House. Due to this additional pumping load, the auxiliary consumption of Sengulam Power House increases to above 5%.
- Panniar Power House: During the financial 2024-25 ,the auxiliary consumption at Panniar Power House station has exceeded stipulated limit of 1.2% by 0.02%, due to the following reasons.

  (a) The High-Pressure Oil Pump (HPOP) system at Panniar Power station works, even if both the units are under RSD or PSD, continuously so as to maintain pressure in the hydraulic system.

  (b) The air compressor unit which is working in association with the hydraulic pressure system, even if both the units are under RSD or PSD, continuously so as to maintain pressure in the hydraulic system.

  (c) The frequent operation of Dewatering pump, even when both units are at stand still, also caused the excess consumption of auxiliary power supply.

  (d) During December, 2024 a total shut down of the plant was arranged and during that period emergency works like replacement of corroded cooling water pipes, draft tube maintenance works were carried out. This also contributed the excess consumption of auxiliary power.

- Kakkad Power House: "Lower Generation is the main reason. Auxiliary consumption includes Cooling Water Pumps, compressors, dewatering pumps, yard lighting, two control rooms, and other buildings within the compound. The continuous operation of the 75 HP cooling water pump for each machine constitutes the major portion of auxiliary consumption.

- Controlled generation by LD during December 2024 and the total shutdown in March 2025 for surge gate testing resulted in considerably lower generation during those months. Consequently, the percentage of auxiliary consumption is marginally higher by 0.02%."

- In most of the SHEPs, generation is limited to monsoon months only (upto a maximum of 6 months in a year). But air conditioners are functioning in the control room of the station continuously to protect the costly numerical Generator Management Relays, Transformer Management Relays, PLCs, Excitation Panels etc.

- Auxiliary consumption of the newly commissioned stations- Pallivasal Addl extension (60MW) and Thottiar (40MW) auxiliary consumption is more than the norms specified in the Tariff Regulations due to the consumption during trial run operations.

Observation and Decision of the Commission

9. Commission has noted the objection of the stakeholders and reply by KSEBL regrading the auxiliary consumption. Commission has noticed that, actual auxiliary consumption of the few hydel stations are higher than the norms specified in the Regulations. Commission has also examined the reasons submitted by KSEBL for the increase in auxiliary consumption. KSEBL has to verify the actual auxiliary consumption of each stations owned and operated by it, and take steps to limit the auxiliary consumption with in the norms specified in the Regulation. With the above observations, Commission has decided to approve the actuals for the purpose of Truing Up.

Issue No.3 Excessive spillage of water from the hydel reservoirs owned by KSEBL

Objections by stakeholders

10. HT&EHT Association submitted that, annual spillage from hydro stations equivalent to 704.90MU against the annual hydro generation of 7250.13 MU happened during the year 2024-25. The spill is about 10% of the actual generation.

Generation from Neriamangalm was 232.32MU where as the spill was 278.14MU. If the spill could avoided, KSEBL could have generated more than double the actual generation.

Inefficiency in utilising the available hydro generation has deprived the consumers from the benefit of cheaper hydro generation and loading the consumers with costlier thermal generation.

Reply by KSEBL

11. KSEBL has submitted the month wise station wise inflow and the spill during the year 2024-25, which is extracted below.

(1) Month wise details of spillage of water from KSEBL reservoirs in MU

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Kuttiady			0.00	19.09	6.53	0.00	0.00						25.63
Thariode			0.00	4.29	10.47	0.00	0.00						14.75
Poringal			6.35	78.19	22.48	4.80	0.90						112.71
Ponmudy			0.00	5.79	30.83	5.39	0.00						42.00
Neriamangalam			11.14	155.87	102.87	8.27	0.00						278.14
Lower Periyar			1.58	101.47	24.96	1.26	0.00						129.27
Sholayar	Nil		0.00	0.00	1.12	2.25	0.00	Nil					3.37
Idukki			0.00	0.00	0.00	0.00	0.00						0.00
Pamba			0.00	0.00	0.00	0.00	0.00						0.00
Kakki			0.00	0.00	0.00	0.00	0.00						0.00
Idamalayar			0.00	0.00	0.00	0.00	0.00						0.00
Maduppetty			0.00	17.17	62.09	19.72	0.00						98.98
Total			19.10	381.90	261.30	41.70	0.90						704.86

(2) Month wise details of inflow received at KSEBL reservoirs during the year is given below.

Month wise details of the inflow received at KSEBL reservoirs in 2024-25

Station	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Kuttiadi	10.47	17.72	104.45	342.43	127.82	95.50	51.70	22.95	21.87	12.89	10.82	10.60	829.20
Poringa	0.00	3.35	27.07	110.15	36.28	12.32	16.21	1.54	1.20	0.00	0.00	0.00	208.10
Kundala & Madupetty	11.10	25.01	42.96	120.24	101.87	47.72	33.68	27.15	25.56	2.59	0.00	0.00	437.90
Anayirankal & Ponmudi	0.00	11.01	38.97	103.03	112.81	67.50	66.86	67.37	45.24	18.87	4.95	1.04	537.70
Neriamangala	0.00	4.31	41.96	213.05	138.65	40.56	39.12	20.29	6.39	9.89	9.42	12.87	536.50
Pamba & Kakki	30.04	78.81	246.45	371.72	219.50	179.09	112.32	87.23	129.58	44.25	26.71	31.06	1556.70
Idukki	11.81	138.89	388.51	729.39	403.95	255.69	240.83	129.15	143.81	35.32	7.94	25.13	2510.40
Idamalayar	1.85	7.41	37.77	111.39	55.63	36.36	43.28	13.98	11.80	5.35	3.61	2.84	331.30
Lower Periyar	2.25	9.99	16.46	65.20	23.99	31.54	20.81	16.50	14.58	1.15	0.00	0.00	202.46
Sholayar	7.12	8.04	23.17	102.15	92.67	33.78	47.41	29.00	10.76	38.15	5.74	9.70	407.69
TOTAL	74.64	304.54	967.77	2268.74	1313.17	800.06	672.21	415.16	410.80	168.47	69.17	93.22	7557.94

(3) It can be seen from the above Table that, the spill occurred in few hydel projects such as Neriamangalam, Lower Periyar, Poringalkuthu and Panniar (Anayirankal and Ponmudi) during the monsoon months, where storage availability is low. Details are given below.

Reservoirs capacity of Neriamangalam and Lower periyar power stations

Power plant	Reservoir	Installed capacity	Reservoir storage (max) (Station)
		(MW)	(MU)
Neriamangalam	Kallarkutty	77.65	2.28
Lower Periyar	LP	180	2.09
Panniar	Ponmudi	32.4	22.25

Observation of the Commission

12. Commission has noticed that, even with few days of rainfall spillage happens at Lower Periyar, Neriamangalam, RA head works of Pallivasal and Ponumdi reservoirs at Mudirapuzha basin.

Due to the limited storage facility, the inflow after generation cannot be stored for the use of summer months.

Hence, the Commission is of the view that KSEBL may explore the possibility of enhancing the storage facility at these stations.

Issue No.4 Interest rate adopted for approving interest on loan on normative basis.

Objections by HT&EHT Association

13. Association requested to adopt the actual interest of the loan during the year 2024-25 for approving interest on normative loan. Accordingly HT&EHT Association requested to adopt 8.84% instead of 8.87% adopted by KSEBL for SBU-G, 9.47% instead of 9.51% for SBU-T and 9.31% instead of 9.08%.

Reply by KSEBL

14. KSEBL submitted that, as per the Regulation 29(4) of the Tariff Regulations, 2021, actual weighted average interest at the beginning of the Year 2024-25 has to be adopted for approving the interest on loan on normative basis.

Observation of the Commission

15. Commission has noted the objection of the HT&EHT Electricity Consumers' Association and reply by KSEBL. The Commission is of the view that the Commission has been approving the interest and finance charges strictly as per the provisions of the Tariff Regulations, 2021.

Issue No.5. Exclude substation auxiliary consumption while approving T&D loss

Objections by HT&EHT Association

16. HT &EHT Association raised the issue that, KSEBL has considered the station auxiliary consumption separately and exclude the same while computing the T&D losses. Accordingly KSEBL is under stating the losses to that extent.

Therefore, the Association requested to re compute the T&D losses.

Reply by KSEBL

17. KSEBL submitted that, station auxiliary consumption represents the electricity consumed for the operation and maintenance of transmission substations and associated facilities. Such consumption includes electricity used for lighting systems, cooling and ventilation equipment, battery chargers and DC systems, control and protection equipment, cooling systems of transformers and reactors, fire protection systems, and security and communication systems within the substation premises. This energy is utilized for the proper functioning and safe operation of the

transmission infrastructure and therefore cannot be treated as energy lost in the system.

The methodology adopted by KSEBL in computing T&D loss is in accordance with the consistent practice followed by the Hon'ble KSERC.

The proposal of the Association to re-compute T&D losses by including transmission station auxiliary consumption within the loss computation is therefore contrary to the established regulatory methodology and practices of the Hon'ble Commission and would artificially inflate the loss levels without reflecting the actual technical performance of the system.

Observation of the Commission

18. Commission has noted the objections of the Association and the reply by KSEBL. Commission has been excluding the auxiliary consumption while computing the T&D loss of KSEBL.

Issue No.6 Fixed cost of NTPC's RGCCPP, Kayamkulam

Objections by HT&EHT Association

19. HT&EHT Association raised the issue that, KSEBL has been paying only Fixed Charges of Rs. 100 Crore every year without buying a single unit of electricity. Such a high cost for standby power, when there are several sources of alternative power, is a burden on the consumers of the State. The very fact that such standby power has not been required even for a single unit during the year shows that KSEBL is well able to manage its system requirements from the alternative sources of power supply, and hence, it is disadvantageous to KSEBL and its consumers, to retain RGCCP as Standby Power.

Reply by KSEBL

20. KSEBL submitted that, Commission vide order dated 25.06.2022 had not approved any schedule from RGCCPP for the year 2024-25 and approved an amount of Rs.91.67 Cr as annual fixed charges for the period upto Feb 2025 as the prevailing PPA expired in Feb 2025. Subsequently in the meeting convened by Minister for Electricity on 23.04.2025, it was decided to extend the PPA by another three years and as decided in the meeting the draft supplementary PPA and MOU has been forwarded to Govt. of Kerala for approval. Government have examined the matter in detail and are pleased to accord sanction to KSEBL for the extension of the PPA with NTPC for a further period of three years in continuation from 28.02.2025, subject to certain conditions vide Government order No.G.O (MS) No.3/2026/POWER dated 17.02.2026. On extending the currency of the PPA, the Govt. has highlighted the following logic and reasoning for the further extension of PPA. Under the existing settlement, KSEBL has been paying an amount of ₹100 Cr annually as fixed charges for the Kayamkulam plant without drawing power. However, since 2005, KSEBL has been allocated 180 MW power from NTPC's Talcher II plant at an average cost of ₹2.567 per unit which facilitated KSEBL to keep RGCCP plant as a stand by plant. Even after accounting for the fixed charges of RGCCPP, the effective average cost of Talcher power is ₹3.359 per unit, which is significantly lower than the average of KSEBL purchase cost of ₹5.05 per unit in 2024-25 and below the prevailing short-term market rates.

KSEBL further submitted that KSEBL will approach the Commission with the Govt. order referred above for the approval of the extension of PPA with NTPC for a further period of 3 years in continuation of 28.02. 2025.Considering the above, the Commission may kindly approve the claim of Rs 94.45 Cr towards the power purchase cost for RGCCPP.

Observation and Decision of the Commission

21. Commission vide the Order dated 15.03.2021 in petition OP No. 02/2021 had approved the fixed cost of NTPC's RGCCPP Kayamkulam upto 28.02.2025 @Rs 100/- crore annually. The proportional cost approved for 11 month period of the Year 2024-25 from April-2024 to February-2025 is Rs 91.67Crore. While approving the Truing Up of Accounts for the Year 2024-25, Commission shall consider the approved cost only as fixed cost of RGCCPP Kayamkulam.

Issue No. 7. KSEBL has not followed merit order principles while surrendering power.

Objection by Stakeholders

22. HT&EHT Association submitted that, from the submissions of the Licensee, it is not clear whether Merit Order Despatch (MOD) has been adopted on a daily or monthly basis to schedule power and avoid purchasing from costly sources of power. KSEBL also not submitted the procedure/basis adopted for surrender of power is not explained in detail. The Licensee should submit the monthly energy availability from the sources of power, corresponding power purchase and sales quantum towards this purpose. The Hon'ble Commission is requested to disallow all such sources where MOD principles have not been followed.

23. M/s Power Foundation India has raised the issue that, KSEBL had procured power from costly stations despite the availability of cheaper power from NLC stations.

Reply by KSEBL

24. KSEBL has surrendered about 525 MU of power from Central Generating Stations (CGS) during FY 2024-25, which was undertaken strictly in accordance with the Merit Order Dispatch (MOD) principle. Scheduling of power by KSEBL is carried out in each 15-minute time block strictly following the Merit Order Dispatch principle, considering the variable cost of generation, technical minimum limits of stations, system demand, and grid security requirements. Under this framework, generating stations with lower variable cost are scheduled first while stations with relatively higher variable cost are backed down to the extent feasible.

The surrender was effected during periods of low system demand, particularly during daytime solar hours due to high solar generation, as well as during periods of reduced demand arising from summer rains, Sundays and holidays, and monsoon conditions during non-solar off-peak hours. The objective of such surrender was to align power procurement with system demand and avoid unnecessary scheduling from stations with higher variable cost, thereby minimizing the overall power purchase cost.
The station-wise surrender along with the respective variable charges is provided below.

Details of surrender of power from CGS and IPPS in the Year 2024-25

CENTRAL GENERATING STATION	Total availability	Surrender	Rates	Surrender as a percentage of total availability
	MU	MU	Rs/kWh	%
NTPL	524.80	62.68	5.13	11.94%
Kudgi STPS unit1	820.29	142.50	4.64	17.37%
RSTPS (Unit 1 to 6)	1850.63	201.25	3.92	10.87%
RSTPS (Unit 7)	443.98	31.37	3.81	7.07%
Telangana STPS (U-1)	183.50	13.67	3.79	7.45%
VALLUR STPS	375.36	22.28	3.70	5.94%
Simhadri TPS Stage II	615.56	32.12	3.69	5.22%
DVC RTPS	340.53	12.94	3.36	3.80%
DVC Mejia TPS	764.17	33.77	3.35	4.42%
NLC II STAGE 1	255.90	0.80	3.23	0.31%
NLC II STAGE 2	384.07	1.22	3.23	0.32%
NLC II EXPANSION	133.53	0.91	3.21	0.68%
NLC I EXPANSION	420.12	6.31	2.88	1.50%
Maithon Power Limited(Contract I)	1190.94	16.87	2.86	1.42%
Maithon Power Limited (ContractII)	1184.33	16.80	2.86	1.42%
NNTPP	226.01	1.55	2.74	0.69%
TALCHER STAGE II	3138.92	8.72	1.72	0.28%
Jindal India Ltd(DBFOO)(Bid I)	1545.89	0.17	1.39	0.01%
BALCO	775.94	0.26	1.16	0.03%

KSEBL further submitted that availability from NLC was affected, due to various reasons including non availability of lignite, overhauling of machines, forced shut downs etc. Since NLC stations are owned by Central Government and the power allocations from these stations are regulated by MoP, GoI, and its tariff are determined by CERC, KSEBL has been scheduling the quantum available from NLC stations.

Observation of the Commission

25. Commission has examined the objections of the Association and also the reply by KSEBL. It is observed that, KSEBL has been generally following the merit order principles for scheduling of power. No specific violation has been pointed out. However, hence forth KSEBL should furnish the month wise, station wise details of schedule and surrender of power to demonstrate that, KSEBL has been strictly following the MOD principles.

Commission has also noted the objections raised by M/s Power Foundation of India that, regarding the reduction of schedule from NLC station as well as costly purchase from NTPL and Kudgi stations. However, these objections are raised without apprising the details.

Further, KSEBL has to take alternate steps to avoid surrender of cheaper power, such as energy banking, charging of electricity for the BESS system developed by KSEBL etc. Further, KSEBL also take steps to increase the electricity consumption during day time by providing adequate incentive schemes including tariff reductions etc during day time.

Issue No.8 Under achievement of RPO targets

Objection by stakeholders

26. HT&EHT Association raised the issue that, with increased availability of cheaper Renewable Energy (RE), it is in the interest of KSEBL and its consumers that increased quantum of power is procured from RE sources. However, there is no mention of the actual RPO achievement of KSEBL in FY 2024-25. KSEBL has not provided any explanation for the reduction in actual RE purchase as compared to the approved RE purchase quantum.

Similar issue was raised by M/s Power Foundation of India, and they requested the Commission to levy penalty on Discom on non-compliance of RPO.

Reply by KSEBL

27. KSEBL submitted that, in terms of capacity mix, more than 66% of the capacity of electricity is derived from renewable energy (RE), and 100% of internal generation is from RE sources. Furthermore, regarding actual energy consumption, the RE contribution stands at 37.92% for 2024-25.

KSEBL is continuously undertaking initiatives to reach a 50% RE mix by 2030 in terms of energy consumption. Comprehensive RPO/RCO (Renewable Purchase/Consumption Obligation) details were furnished on a quarterly and yearly basis to the Bureau of Energy Efficiency (BEE), the Energy Management Centre (EMC), and the KSERC in a timely manner. Consolidated details for the period 2024-25 may be seen in the table given below;

Achievement of RPO in 2024-25

Category	Target (%)	Target (MU)	Achievement (%)	Achievement (MU)
Wind	1.20	337.78	1.20	337.78
HPO	2.20	619.26	1.01	283.19
Other	33.60	9457.84	35.71	10052.38
Total	37.00	10414.89	37.92	10673.35

As above, KSEBL has achieved RPO of 37.92% as against its target of 37% and hence there is no short fall in RPO achievement. The arguments raised by the association may be rejected.

KSEBL further submitted that, Kerala is the leading State (ranked 4th nationally) in India for promoting massive rooftop solar additions, despite the fact that maximum demand in Kerala occurs during non-solar hours. KSEBL also requested before the Commission to direct the Power Foundation of India to study the matter in detail before making adverse arguments against the DISCOM.

Observation of the Commission

28. Commission has examined the comments of the stakeholders, reply by KSEBL, and noticed that, the licensee has met the RPO in the Year 2024-25.

Issue No. 9: Bundled structure of KSEBL

Objections by Power Foundation of India (PFI)

29. M/s Power Foundation of India raised the issue that, KSEBL is the only electricity Board in India, which is vertically integrated into Generation, Transmission and Distribution business.

Electricity Act enacted by the Parliament in 2003 (Central Act 36 of 2003) which replaced all the previous legislation and mandates the unbundling and corporatization of SEBs. The Act enables competition in the market through introducing open access, multi-year tariff frameworks, distribution franchisees, delicensing thermal generation while establishing RPOs etc.

Section 131, part 8 of the Act mandates the reorganisation of SEBs.

The concept of unbundling of electricity sector has been introduced to change the structure and eradicate the vertically integrated monopoly of distribution sector.

Neighbouring states of Kerala like Karnataka, Telengana, Andhra Pradesh etc have already separated their distribution business from generation and transmission. Discoms of AP and Telengana are filing petitions separately for wheeling and retail business. TANGEDCO also restructured and separate its generation and distribution business.

According to M/s PFI, unbundling is required for promoting competition and to improve efficiency and transparency in all three electricity business. Hence PFI request to the Commission to take necessary steps towards separating the distribution business from generation and transmission business to improve its operation and technical efficiency.

Reply by KSEBL

30. State Government vide the notification dated 31st of October 2013 has re-vested the assets and liabilities erstwhile KSEB into a new company KSEBL w.e.f 01.11.2013 onwards as per section 131 of the Act. As per the revesting notifications, KSEBL is allowed to continue as a single entity, however for managing the activities of generation, transmission and distribution, three 'strategic business units (SBUs) were envisaged under KSEBL.

KSERC Tariff Regulation, 2021 was made applicable to all the Strategic business Units (SBUs) relating to generation, transmission and distribution of KSEBL. Tariff Regulation was framed in such a way as to file separate ARR for Generation Business, Transmission Business and Distribution Business with specific chapters in the Tariff Regulation. KSEBL filed a petition (OP No.11/2022) for approval of ARR and ERC on 31.01.2022 which contains separate ARR and ERC for Generation (SBU-G) , ARR and ERC for transmission (SBU-T) and ARR and ERC for distribution (SBU-D) with separate Capital Expenditure plan for SBU-G, SBU-T and SBU-D for the control period from 2022-23 to 2026-27. Hon'ble KSERC vide order dated 25th June 2022 issued orders on the approval of ARR and ERC of the SBU(G), SBU(T) and SBU (D) of KSEBL for the period from 2022-23 to 2026-27.

KSEBL is maintaining accounts in such a way as to determine the SBU wise details

of Income, expenditure and capital expenditure. Hence SBU wise ARR, ERC and Truing up claim are being made from the initial Multi Year Tariff Regulation, 2014 onwards.

Observation of the Commission

31. Section 131 to 134 of the EA-2003 deals with the reorganisation of erstwhile Electricity Board constituted before the enactment of the EA-2003, under Section 5 of the Electricity (Supply) Act 1948. As per Sections 131 of the EA-2003, State Government has the authority to revest the asset and liabilities of the erst while SEBs into a company or companies.

By invoking the statutory powers conferred on its under Section 131 and Section 133 of the EA-2003, State Government vide the notification No, GO (P) No. 46/2013/PD dated 31.10.2023 had notified the 'Kerala Electricity Second Transfer Scheme (Re-vesting) 2013'. As per scheme, all the assets, liabilities and personnel as on 31.10.2013 is revested into the new company 'Kerala Electricity Board Ltd'. As per the provisions of the Electricity Act, 2003, this Commission is bound by the provisions of the transfer scheme.

Issue No. 10. Contradictions in external sales and swap returns

Objection by Shri. Jameskutty, Electrical Inspector (Retired)

32. Contradictions in external sales and swap returns Table D 13. അവകാശവാദം -പുറത്തേക്കുള്ള ഊർജ്ജ വില്പനയും swap റിട്ടേൺ 1422.10 MU. (അംഗീകരിച്ചിരുന്നത് - 316.20 , യഥാർത്ഥത്തിൽ നടന്നത് - 1716.90 MU) വർദ്ധിച്ചതായി കെഎസ്ഇബി അവകാശപ്പെടുന്നു. അപാകത - സോളാർ ഉൽപാദനം നടക്കുന്ന സമയങ്ങളിൽ ഡിമാൻഡ് കുറവായതിനാൽ ആണ് ജലവൈദ്യുത നിലയങ്ങളിൽ നിന്നുള്ള ഉത്പാദനം 129.60 MU കുറയ്ക്കേണ്ടി വന്നതെന്ന് കെഎസ്ഇബി വാദിക്കുന്നു. എന്നാൽ അതേസമയം തന്നെ 1716.90 MU ഊർജ്ജം പുറത്തേക്ക് വിൽക്കാനോ സ്വാപ്പ് ചെയ്യാനോ അവർക്ക് സാധിച്ചിട്ടുണ്ട് .ഊർജ്ജത്തിന് വലിയൊരു വിപണി പുറത്ത് ലഭ്യമായിരുന്നു എന്നതിന് തെളിവാണിത്. അതിനാൽ ഹൈഡ്രോ ഉൽപാദനം കുറഞ്ഞത് ഡിമാൻഡ് ഇല്ലാത്തതുകൊണ്ടല്ല മറിച്ച് ആഭ്യന്തര ഉൽപാദനവും കയറ്റുമതി സാധ്യതകളും തമ്മിൽ ഏകോപിപ്പിക്കുന്നതിൽ വന്ന പരാജയമാണ്. ഇതിന് സോളാർ പ്രോസ്യുമർന്മാരെ പഴിചാരുന്നത് തികച്ചും അന്യായമാണ്.

Reply by KSEBL

33. The rapid increase in solar generation has resulted in low demand during solar hours. During these period KSEBL was generally forced to surrender long term contract as part of Load Generation Balance and hydro reservoir management. However in some cases KSEBL has to return swap power even during the day time. This swap power is arranged as part of managing power requirements in the state due to reduction of 465MW DBFOO contracts. There is no failure on part of KSEBL in coordinating internal generation and export of power for external sales/swap

return. Hence the argument of the stakeholder regarding contradictions in the external sale and swap return may please be rejected.

Observation of the Commission

34. Commission has noted the objections raised by Shri. Jameskutty, Electrical Inspector (Retired) and the reply by KSEBL.

It is a fact that, solar electricity is available only during day time, and during the period electricity demand is in the range of 3000MW only during monsoon months. Further, the market price of electricity during day time is less than Rs 2.00/unit during day time due to the surplus electricity available in the market due to the surplus electricity injected into the grid from Solar plants. Thus, selling surplus power during solar hours is not economically viable at present.

However, for meeting the electricity requirement during Non-solar hours, KSEBL had entered into long term contracts with Central Generating Stations (CGS), Independent coal based Power Plants and also round the clock (RTC) power purchases. However, due to the low demand during day time consequent to the large penetration of Solar PV, KSEBL was forced to surrender electricity from long term contracts by paying fixed charge even though no power is scheduled (surrendered power) from such thermal plants.

Commission has been facilitating KSEBL to enter into SWAP/ banking arrangements with other power utilities in the country in such a way that, KSEBL may supply the surplus power to such utilities during monsoon months or other periods when electricity demand in the State is low, with the condition to return the power during peak hours and other non solar hours, However, during day time the electricity is in surplus in other States also and accordingly they also require returning the banked electricity during the same time periods, i.e., day time power against day time in other months etc.

Commission has been directing KSEBL to look into other possibilities of the use of the cheap power available during day time including storing the cheaper power by installing more 'Battery Energy Storage System (BESS)' so that the cheaper power during day time can be used for charging such BESS and such stored energy from the BESS can be released to the system during peak hours and Non-solar hours. As already directed, KSEBL shall expedite completion of remaining BESS projects awarded in the states. KSEBL is also directed to pro-actively disclose inter state energy transaction data effectively to remove misapprehensions among stake holders.

Issue No.11: Massive depreciation jump without 'Asset verification'.

Objection raised by Shri. Jameskutty, Electrical Inspector (Retired)

35. Shri. Jameskutty raised the issue that, as per the audited accounts the depreciation claimed was Rs 2098.84 crore against the approval of Rs 834.56 crore. Depreciation as per the audited accounts was 150% higher than the approval.

The statutory auditors has raised the issue that, KSEBL is not maintaining details of its assets including land, buildings, plants and machinery etc, and hence they had given the adverse audit observation that, the audit does not gives true and fair opinion of the audit.

From the details submitted by KSEBL, it is difficult to ascertain whether the assets are existing, and are in use or not. Without ascertaining the details, the depreciation on such assets shall not be pass on to the consumers.

Reply by KSEBL

36. KSEBL submitted that, it had computed the normative depreciation as per the provisions of the Tariff Regulation, 2021. This regulation is prohibiting the claim of depreciation on the additional value on revaluation of asset at the time of re-vesting of assets and liabilities of KSEB into KSEB Limited. As per the Ind As KSEBL is providing depreciation on all assets including those of the revalued assets in full, while as per Tariff Regulation,2021 depreciation on additional value on revaluation should be excluded in the ARR and True Up petition. In this connection it is noted that the depreciation claimed in the True Up petition is very lower and hence consumer is benefitted of not charging the depreciation on revalued assets. KSEBL has claimed only eligible depreciation as per Tariff Regulation,2021 and has not claimed any excessive depreciation in the True Up petition. In view of the above, objection raised by the Stake holder may be rejected and depreciation claim raised as per Tariff regulation may be approved.

Observation of the Commission

37. Commission has been approving the depreciation as per the provisions of the Tariff Regulations, 2021. While approving the depreciation, Commission has not been allowing depreciation on the revalued asset as well as the assets created using consumer contribution and grants. Further, new assets which are actually put into use only is considered for allowing depreciation. Accordingly, the depreciation approved by the Commission is much less than the depreciation claimed by KSEBL as per the audited accounts.

Issue No.12. Solar prosumers settlement- deferred, distorted and arbitrary accounting

Objections by stakeholders

38. Shri. Jiji Kumar, Shri. Sasi Kumar, Shri. Mohanan and Shri Mathew George raised the issue that, as per the Truing Up petition, the surplus solar energy at the credit of the prosumers as on 31.03.2025 was 217.26MU. At the approved settlement rate @Rs 3.26/unit, the net amount payable to the prosumers is Rs 70.83 Crore.
However, KSEBL had refunded only Rs 38.23 Crore during the Year 2024-25, and the balance amount has been deferred and pushed into FY 2025-26.

According to the stakeholders, it violates accrual principles. Surplus true surplus of 2024-25 and unfairly postpones consumer entitlement while improving apparent revenue position.

Hence, the stakeholders requested for the full recognition and adjustment of the entire Rs 70.83 crore in the FY 2024-25 itself.

Reply by KSEBL

39. KSEBL submitted that, Energy in the bank at the end of settlement period is considered for settlement purposes. Hon'ble Commission vide order dated 30.06.2025 approved the APPC @3.26/unit, for settling the net surplus energy banked and at the credit of the prosumers and captive consumers as on 31.03.2025. The remaining energy in bank as on 31.03.2025 for solar prosumers was 217.26 MU and corresponding amount was Rs 70.83 Cr. The settlement amount was being refunded to the consumers in FY 2025-26.

Commission has approved the rate of Rs.3.26 per unit as on 30.06.2025 and hence the amount was refunded during July and August 2025 ie; in FY 2025-26. Hence the amount is reflected only in the accounts of FY 2025-26 only.

An amount of Rs.38.21 crores were accounted during 2024-25, which was distributed during the year FY 2024-25 towards the settlement charges for FY 2023-24. KSEBL requested Honorable Commission to approve the disbursed amount during FY 2024-25 and allow the settlement amount for FY 2024-25 as per the accounts for the next financial year at the time of truing up.

KSEBL further submitted that, settlement of banked solar energy by the prosumers is carried out as per the provisions of KSERC (Renewable Energy and Net Metering) Regulations, 2020. The Commission also adopted the same methodology consistently in its previous truing up orders also. As per Regulation, the licensee shall pay to the prosumers the net electricity balance in his account at the end of the settlement period, at the Average Power Purchase Cost (APPC) approved by the Commission. It may kindly be noted that the settlement for a financial year is done in the next financial year as has been done consistently in the previous years. There is no attempt on the part of KSEBL to deliberately understate expenses on this account as alleged by the stakeholder. In view of the above, the objections of the stakeholder may be rejected.

Observation of the Commission

40. Commission has examined the objection raised by the stakeholders and the reply by KSEBL.

Commission hereby clarify that, the surplus energy at the credit of the prosumers as on 31st March of every financial year shall be settled and credited to the consumers account in the subsequent months of the next financial year at the APPC rate approved by the Commission. Hence, the actual disbursement of the surplus energy at the credit of the prosumers as on 31.03.2025 will be settled and disbursed in the Year 2025-26. Hence there is no error or mistake in such procedures.

The amount of Rs 38.21 crore is the amount disbursed during the FY 2024-25, which pertains to the surplus energy at the credit of the prosumers as on 31.03.2024.

CHAPTER-2

TRUING UP OF ACCOUNTS OF STRATEGIC BUSINESS UNIT GENERATION (SBU-G)

Introduction

2.1 In exercise of its powers under Section 131 of the Electricity Act, 2003 the Government of Kerala vide G.O(P) No. 46/2013/PD dated 31-10-2013 had notified a transfer scheme, revesting the properties, liabilities, interests, rights and obligations of the erstwhile KSEB into KSEB Ltd, a Limited company incorporated under the provisions of the Companies Act, 1956. The three distinct functions of the erstwhile Board, i.e., Generation, Transmission and Distribution were separated into three independent Strategic Business Units (SBUs) viz., SBU-Generation (SBU-G), SBU-Transmission (SBU-T), and SBU-Distribution (SBU-D). SBU-G is vested with the task of managing the generating stations of erstwhile KSEB and for establishing and managing new generating stations with in the State.

2.2 As per the Annual Report for 2024-25, as on 31.03.2025, KSEB Ltd has 44 hydel stations with a total capacity of 2196.61 MW, two LSHS based thermal station with a capacity of 159.96 MW, 1 wind plant with a capacity of 2.03MW. Further, KSEBL has installed and commissioned solar plants having total capacity of 51.43MW. The details are given as Annexure-2.1 to this Order. Its summary Is given below.

Table-2.1
Summary of the KSEBL own generation capacity as on 31.03.2025

Source	Installed Capacity (MW) as on 31.03.2025
Hydel	2196.36
Thermal	159.96
Wind	2.03
Solar	51.43
Total (Generation)	**2409.73**

2.3 The summary of the ARR&ERC of SBU-G for the year 2024-25 claimed by KSEB Ltd is given below.

Table 2.2
KSEB Ltd.-Transfer Cost of SBU-G as per truing up petition for the year 2024-25 (Rs. Cr)

No	Particulars	MYT Order dated 25.06.2022	Actuals	TU Sought	Difference over approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Cost of Generation of Power	0.00	5.17	5.17	5.17
2	O&M Expenses for existing stations	177.97	493.97	178.15	-13.41
	O&M Expenses for new stations	43.66		30.07	
	O&M Expenses - Total	221.63		208.22	

3	Interest & Finance Charges	189.37	115.53	196.15	6.78
4	Depreciation	175.00	772.04	182.74	7.74
5	Repayment of master Trust Bond	21.99	0.00	21.99	0.00
6	Additional contribution to Master Trust	21.60	0.00	21.60	0.00
7	Amortisation of intangible assets	0.00	1.32	1.32	1.32
8	RoE	116.38	116.38	116.38	0.00
9	Exceptional Items		0.09	0.09	0.09
10	Others		14.10	0.00	0.00
11	ARR	745.97	1518.60	753.66	7.69
12	Less Non-Tariff Income	11.35	9.24	39.61	28.26
13	**Net ARR** (Transferred to SBU-D)	734.62	1509.36	714.05	-20.57

2.4 The Commission has examined the ARR of SBU-G claimed by KSEB Ltd viz-a-viz the audited accounts, ARR&ERC Order dated 25.06.2022, KSERC (Terms and Conditions of Determination of Tariff) Regulations, 2021, and other relevant details and decided as follows.

Expenses of SBU-G

Generation from internal generating stations

2.5 KSEB Ltd submitted that, the total gross generation from generating stations owned by KSEBL for the year 2024-25 was 7396.03 MU as against the approval of 7547.40MU. The total auxiliary consumption reported is 93.72 MU and the net generation is 7302.31 MU. The source wise details of the internal generation are given below:

Table 2.3
Generation from internal generating stations for the year 2024-25

Source	ARR&ERC Order dated 25.06.2022			Truing up petition as per accounts		
	Gross generation	Aux. consumption	Net generation	Gross generation	Aux. consumption	Net generation
	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
Hydro	7469.13	89.38	7379.75	7343.81	93.68	7250.13
BDPP	0.00	0.00	0.00	0	0.00	0.00
KDPP	0.00	0.00	0.00	1.54	0.04	1.50
Wind	0.00	0.00	0.00	1.04	0.00	1.04
Solar	78.27	0.20	78.07	49.64	0.00	49.64
Total	**7547.40**	**89.58**	**7457.82**	**7396.03**	**93.72**	7302.31

Hydro generation

2.6 The total generation from all hydro generating stations owned by KSEB Ltd for the year 2024-25 was 7250.13 MU (net excluding auxiliary consumption) as against the approved quantity of 7379.75MU, resulted in reduction of hydro generation by 129.62MU over the approval.

The actual inflow received during the Year 2024-25 was 7557.94MU, as

against the anticipated inflow of 6759.36MU.

The month wise details of the total inflow received during the Year 2024-25 from each hydro station is given as **Annexure 2.2** to this Order.

A comparison of the monthwise details of the actual inflow received with anticipated inflow is given as Annexure 2.3 of this Order.

2.7 The station wise details of the hydro generation during the year 2024-25 is given as Annexure-2.4 to this Order.

2.8 The month wise details of the hydel generation for the year 2024-25 and auxiliary consumption is given in the Table below.

Table 2.4
Hydel Generation for FY 2024-25 (MU)

Month	Generation	Aux Consumption	Net hydro Generation	Month	Generation	Aux Consumption	Net hydro Generation
	(MU)	(MU)	(MU)		(MU)	(MU)	(MU)
Apr-24	560.15	7.49	552.65	Oct-24	571.13	7.62	563.51
May-24	538.04	7.30	530.75	Nov-24	493.22	7.13	486.09
Jun-24	723.26	9.06	714.20	Dec-24	410.54	5.43	405.11
Jul-24	876.31	10.28	866.02	Jan-25	452.37	5.95	446.42
Aug-24	959.88	11.37	948.52	Feb-25	465.61	6.05	459.57
Sep-24	786.20	9.59	776.62	Mar-25	507.09	6.41	500.68
				Total	**7343.81**	**93.68**	**7250.13**

Provisions in the Regulations

2.9 Regulation 41 of the Tariff Regulations, 2021 specifies the norms of operation for hydroelectric generating stations. Regulation 41(2) specifies the normative auxiliary consumption of the existing and new hydroelectric generations which is extracted below.

> *"41(2) Auxiliary energy consumption including transformation losses for existing andnew hydro-electric generating stations shall be as specified in the table V(3) below:*

Table V(3)

Type of station	*Station Capacity upto 200MW*	*Station Capacity above 200MW*
Surface hydro-electric generating stations		
Rotating Excitation	*0.70%*	*0.70%*
Static Excitation	*1.20%*	*1.00%*
Underground hydro-electric generating stations		
Rotating Excitation	*0.90%*	*0.90%*
Static Excitation	*1.30%*	*1.20%*

2.10 In the case of SHPs and other Renewable projects, the first proviso to Regulation 35 of the Tariff Regulations, 2021 provide as follows;

"35. Applicability. –

(1) The Regulations specified in this Chapter shall apply to the determination of tariff for supply of electricity to the distribution business/ licensee by a generating company from conventional sources of generation; such as coal, gas, liquid fuel and from hydro-electric plants (of capacity exceeding 25 MW):

Provided that the determination of tariff for supply of electricity to the distribution business/ licensee from cogeneration plants, solar plants, small hydro- electric projects (of capacity not exceeding 25 MW), wind energy projects and other renewable energy sources of generation shall be governed by the (Renewable Energy and Net Metering) Regulations, 2020 as amended by the Commission from time to time."

2.11 Accordingly, the provisions of KSERC (Renewable Energy and Net metering) Regulations, 2020 shall apply to the small hydro projects. As per the said Regulations, the auxiliary consumption for the small hydro projects is 1%.

Analysis and decision of the Commission

2.12 The Commission carefully examined the details of the hydel generating stations of KSEB Ltd for the year 2024-25. As directed by the Commission, KSEB Ltd has submitted the station wise details of the auxiliary consumption of its hydel plants. The details are given as Annexure-2.4 to this Order. KSEB Ltd has also submitted the month wise generation of hydel generations during the year 2024-25. The details are given as Annexure-2.5 to this Order.

2.13 As against the approved auxiliary consumption of 1.19%, the actual auxiliary consumption was 1.28%. This is mainly due to the auxiliary consumption including during testing period of the Thottiar and Pallivasal Extension Scheme, which are commissioned during the third quarter of the Year 2024-25.

2.14 ***Since the overall auxiliary consumption of the hydel stations are aligned with the norms specified in the Tariff Regulations, 2021, the Commission here by approve the hydel generation and auxiliary consumption as actuals, as per the Truing Up petition for the Year 2024-25.***

Diesel Stations

2.15 KSEB Ltd submitted that, due to high variable cost, KSEB Ltd had managed the grid without generation from the thermal stations. There was no generation from BDPP, however 1.54 MU was generated from KDPP to meet the contingencies during the year 2024-25.

Cost of Generation including fuel cost, lube oil etc.

2.16 KSEB Ltd further submitted that, Rs.5.17 Cr was incurred towards the cost of fuel and lubricants for all generating stations including hydel stations owned by KSEB Ltd. Its details are given below.

Table 2.5
Fuel Cost claimed by KSEB Ltd

Particulars	KDPP	Hydro stations	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Oil	0.00	0.00	0.00
HSD oil	0.00	0.00	0.00
Lub oil	4.91	0.00	4.91
Lubricants and consumable stores	0.00	0.26	0.26
Total	4.91	0.26	5.17

Station wise/ generation circle wise details of the fuel cost incurred in the Year 2024-25 is given below.

Table 2.6
Station wise details of the fuel cost claimed for the Year 2024-25

Station	Heavy Fuel Oil (Furnace Oil, LSHS, Etc.)	H.S.D. Oil	Lub. Oil	Hydel stations	For Internal Combustion Power Gen.	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
KDPP	0	0	4.91	0	0	4.91
Generation Circle, Kozhikode	0	0	0	0.07	0	0.07
Generation Circle, Moozhiyar	0	0	0	0.02	0	0.02
Generation Circle, Moolamattom	0	0	0	0.07	0	0.07
Generation Circle, Meencut	0	0	0	0.08	0	0.08
Generation Circle, Kothamangalam	0	0	0	0.02	0	0.02
Generation Circle, Thrissur	0	0	0	0.01	0	0.01
Total	**0**	**0**	**4.91**	**0.26**	**0**	5.17

Analysis and decision of the Commission

2.17 The Commission examined the details of fuel cost claimed by KSEB Ltd. The licensee submitted that, the lubricating systems, is an essential part of any power plant maintenance. Any piece of equipment with moving parts depends on some type of lubricant to reduce friction and wear and to extend its life. In most cases, a lubricant also dissipates heat, prevents rust or corrosion, acts as a seal to outside contaminants, and flushes contaminants away from bearing surfaces. The hydraulic oil is used for the purpose of governor action for speed /load control.

Further, the diesel oil is used for boiler operation and lube oils are used for bleeding purpose in connection with regular routine maintenance to upkeep the machines of KDPP in working condition. Out of the total claim of Rs 5.17 crore, Rs 4.91 crore pertains to KDPP.

2.18 ***The Commission, after examining the details submitted by KSEB Ltd, decided to approve the cost of lube oil, lubricants etc amounting to Rs.5.17 Cr as per the audited accounts for Truing Up for the Year 2024-25.***

O&M expenses

2.19 As per the Tariff Regulations, 2021, O&M expenses comprises of Employee Expenses, R&M Expenses and A&G Expenses. The O&M expenses approved as per the MYT Order dated 25.06.2022, as per the audited accounts and the same claimed by the KSEB Ltd in the truing up petition is given below.

Table 2.7
O&M expenses of SBU-G claimed by KSEB Ltd (Rs. Cr)

No	Particulars	ARR&ERC Order dated 25.06.2022	Actual	Truing Up petition	Difference over approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Employee Cost	221.62	234.56	208.22	13.4
2	A&G Expenses		244.31		
3	R&M Expenses		15.10		
4	Total		493.97		

2.20 KSEB Ltd submitted that, vide the ARR&ERC Order dated 25.06.2022, the Commission had approved the O&M cost of existing generating stations of KSEB Ltd for the year 2024-25 at Rs.177.97 Cr as per Tariff Regulations, 2021. The total O&M expenses for the new stations commissioned after the base Year 2018-19 is Rs 43.66 crore. Thus the total O&M cost to be approved for the Year 2024-25 is Rs 221.63 crore.

2.21 KSEB Ltd further submitted that, it is also specified in the Tariff Regulations, 2021 that, the actual inflation will be allowed at the stage of Truing up of the respective years. The actual inflation rate for the year 2024-25 is 3.05% instead of 4.454% estimated in the Tariff Regulations, 2021. Thus O&M cost claimed by KSEB Ltd for the existing stations is Rs.178.15 Cr instead of Rs.177.97 Cr approved vide the ARR&ERC Order dated 25.06.2022.

Further, an amount of Rs.30.07 crore is claimed for new stations for the purpose of Truing Up.

2.22 Two hydro projects namely Thottiar HEP (1 x 10MW + 1 x30MW= 40 MW) and Pallivasal Extension Scheme (2 x 30MW= 60MW) commissioned during the year 2024-25. KSEBL has claimed Rs 12.15 crore towards O&M cost of these stations.

2.23 KSEBL also submitted that, 2.20MW solar capacity is added during the Year 2024-25. The O&M cost for the solar plants claimed in the Year 2024-25 is Rs 3.729 lakhs.

2.24 In addition to these, the projects completed after the base Year 2018-19 was also taken separately, as O&M cost of these stations are not included under the O&M cost of existing stations, in the Tariff Regulations, 2021. KSEBL has claimed Rs 17.88crore towards O&M costs of these stations.

2.25 As above, KSEBL has claimed Rs 208.22 crore as O&M cost for the generating stations owned by KSEBL, as detailed in the Table 2.7 above.

Analysis and Decision of the Commission

2.26 The Commission had examined in detail the O&M expenses of SBU-G as per the audited accounts and the KSEB Ltd claim in the Truing up as per the provisions of the Tariff Regulations, 2021. The details are discussed in the following paragraphs.

2.27 As per the Tariff Regulations, 2021, O&M expenses of SBU-G includes the following expenses, namely,

(1) Employee expenses,
(2) Administration and General expenses (A&G expenses), and
(3) Repair and Maintenance Expenses (R&M expenses).

O&M cost of existing generating Stations of KSEBL

2.28 The various provisions in the Tariff Regulations, 2021 with respect to the O&M expenses of the functional units of KSEBL is discussed under paragraph-6.132 to 6.137 under Chapter-6 of this Order.

As per the Table 6.57 of this Order, O&M expenses approved for the existing generating stations of SBU-G of KSEBL is Rs 178.14 Cr.

2.29 **O&M expenses of New Generating Stations added after finalizing the Tariff Regulations, 2021**

(1) As detailed under paragraph-2 of the Annexure-7 of the Tariff Regulations, 2021, the Commission had adopted the O&M expenses of SBU-G for the year 2018-19 approved vide the ARR&ERC Order dated 08.07.2019 as the base for determining the normative O&M expenses of the existing generating stations of KSEB Ltd. Thus, the O&M expenses of the generating stations commissioned and capitalized as on 31.03.2018 only are captured in the O&M cost of SBU-G claimed in the year 2018-19.

Hence, the O&M cost admissible for new generating stations commissioned after 2018-19 has to be allowed as per the provisions of the Tariff Regulations.

(2) The details of the new generation projects commissioned by KSEBL after 31.03.2018 is detailed in Table 2.9 below. These projects include small hydro and solar PV projects.

(3) The first proviso to Regulation 35 of the Tariff Regulations, 2021 provided that, the determination of tariff for supply of electricity to the distribution business from RE sources shall be governed by the KSERC (Renewable Energy and Net Metering) Regulations, 2020 as amended from time to time.

(4) As per the provisions of the Renewable Energy and Net metering Regulations, 2020, the normative O&M cost allowable for SHPs and Solar projects for the year 2024-25 is given below.

Table 2.8
O&M cost allowable for RE projects for the year 2024-25

Sl No	Particulars	O&M cost allowable for the base Year 2019-20	Escalation factor	O&M cost allowable for 2024-25
		(Rs. lakh/MW)	(%)	(Rs. lakh/MW)
1	SHPs having capacity below 5MW	32.41	5.72%	42.80
2	SHPs having capacity above 5MW to 25MW	23.47		31.00
4	Solar PV plants	6.00		7.92

(5) KSEBL has commissioned Thottiar HEP (40MW) and Pallivasal Extension Scheme during the Year 2024-25. As per the Regulation 45 of the RE Regulations, 2021, O&M cost of the new generating stations commissioned after the date of notification of the Tariff Regulation shall be 4% of the original capital cost. However, the Commission is yet approve the capital cost and GFA addition of these project.

However, considering the fact that, the plant is in operation, Commission has decided to provisionally allow O&M cost of these stations at 75% of the normative O&M cost of SHPs having capacity 5MW to 25 MW.

(6) Based on the above, the O&M cost allowable for the new generation projects commissioned after the Year 2018-19 and upto the year 2024-25 is given in the Table below.

Table 2.9
O&M cost allowable for the generation projects commissioned after 2018-19

Sl.No	Projects	COD	Capacity (MW)	Project Type	Norms of O&M cost for the year FY 2024-25 in lakhs	Addl O&M cost (Rs. Cr)
I.	**Hydel Stations**					
1	Chathankottunada	20-06-2021	6	Above 5MW	31	1.86
2	Upper Kallar	30-09-2021	2	Below 5MW	42.8	0.86
3	Poringalkuthu	7-06.2022	24	Above 5MW	31	7.44
4	Peruvannamoozhy	19.07.2023	6	Above 5MW	31	1.86
5	Thottiar	28.10.2024	40		23.25	3.88
6	Pallivasal Extention	Dec-24	60		23.25	3.49
	Sub total		38			19.38
II	**Solar projects**					
1	2019-20		1.17		7.92	0.09
2	2020-21		0		7.92	0.00
3	2021-22		13.86		7.92	1.10
4	2022-23		17.26		7.92	1.37
5	2023-24		2.06		7.92	0.16
6	2024-25					

	Thalakulathoor	04.09.2024	0.250		7.92	0.99
	110kV s/s Cherpplessery	10.02.2025	0.450		7.92	0.30
	Nenmmara	21.02.2025	1.500		7.92	0.99
	Subtotal		2.200			2.28
6	Sub total		36.550		7.5	5.00
7	Grand total					24.38

Thus, the additional O&M cost allowed for new generating stations commissioned after 2018-19 is Rs. 24.38 Cr.

2.30 Thus, the total O&M expenses approved in the process of Truing up of accounts for the year 2024-25 is given below.

Table 2.10
O&M cost approved for the year 2024-25

Sl No	Particulars	O&M Cost approved for 2024-25
		(Rs. Cr)
1	O&M cost allowable exiting stations upto the Year 2018-19	178.14
2	O&M cost of new stations commissioned after 2018-19	24.38
	Total	**202.52**

2.31 The comparison of the O&M cost of SBU-G claimed and approved for the year 2024-25 is given below.

Table 2.11
O&M cost of SBU-G claimed and approved for the Year 2024-25

No	Particulars	ARR&ERC Order dated 25.06.2022	Actual	Truing Up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Employee Cost	221.62	234.56	208.22	202.52
2	A&G Expenses		244.31		
3	R&M Expenses		15.10		
4	Total		493.97		

As above, the Commission hereby approves the O&M expenses of SBU-G of KSEB Ltd for the year 2024-25 at Rs. 202.52 Cr as against Rs.208.22 Cr claimed by KSEB Ltd.

Depreciation

2.32 The details of the approval of depreciation for the year 2024-25 is discussed under paragraphs 6.31 to 6.39 of Chapter-6 of this Order***. As per Table 6.21 of this Order, the depreciation approved for SBU-G of KSEB Ltd for the year 2024-25 is Rs.161.26 Cr as against Rs.182.74 crore claimed by KSEBL.***

Interest and financing charges

2.33 The interest charges claimed by KSEB Ltd for SBU-G in the truing-up petition is Rs.196.15 Cr on normative basis as against Rs.189.37 Cr approved in the ARR&ERC Order dated 25.06.2022. The actual interest as per the audited accounts is Rs.115.52 Cr. The details of the interest & finance charges claimed by KSEB Ltd is given below.

Table 2.12
Interest and financing charges claimed in the petition for 2024-25

No	Particulars	MYT Order dated 25.06.2022	As per audited accounts	Truing up petition
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on Capital Liabilities	140.26	111.74	149.15
2	Interest on GPF	13.07	8.88	8.88
3	Interest on Working capital	7.45	7.64	11.93
4	Interest on Master Trust Bonds	28.59	25.81	25.81
5	Other Interests	0	0.52	0.38
6	Sub Total	189.37	154.59	196.15
7	Less: Capitalized	0	39.07	0
8	Balance	189.37	115.52	196.15

2.34 The Commission has carefully considered each item of the interest and financing charges for SBU-G for the year 2024-25. The details are given in the subsequent paragraphs.

Interest on long term loans on normative basis

2.35 The approval of the interest on long term loans on normative basis is detailed under paragraphs 6.40 to 6.48 of this Order. ***As per Table 6.25 of this Order, the interest on normative loan approved for SBU-G for the year 2024-25 is Rs. 101.03 Cr as against the claim of Rs 149.15 crore.***

Interest on working capital

2.36 The Commission vide the ARR&ERC Order dated 25.06.2022 in petition OP No.11/2022 had approved Rs.7.45 Cr towards the interest on working capital of SBU-G for the FY 2024-25. However, in the truing up petition, KSEB Ltd has claimed Rs.11.93 Cr towards interest on working capital for SBU-G. The details are given below.

Table 2.13
KSEBL- Interest on working capital claimed for SBU-G for the Year 2024-25

Sl. No	Particulars	Amount (Rs.Cr)
1	Cost of fuel for FY 2024-25	5.17
2	**Cost of fuel for one month**	**0.43**
	O&M expenses	
i	As per norms	178.15

ii	O&M Expenses for new stations	30.07
iii	Pay revision expenses	0.00
iv	Repayment of master Trust Bond	21.99
v	Additional contribution to Master Trust	21.60
3	Total (i to v)	251.81
4	**O&M Expenses for one month**	**20.98**
5	Approved GFA - Plants and Equipment for FY 2024-25	8561.20
6	**Cost of maintenance of spares at 1% of historical cost**	**85.61**
7	**Total requirement of working Capital=(2)+(4)+(6)**	**107.03**
8	Base rate as on 01-04-2024 (%)	9.15
9	Interest rate on working capital (%)=Base rate+2	11.15
10	**Interest on working capital = (7)*(9)**	**11.93**

Provisions in the Regulations

2.37 The Regulation 32 of the Tariff Regulations, 2021 specified the 'Interest on working capital' in detail. The relevant Regulations are extracted below.

"32. Interest on Working capital– (1) The generation business/ company or transmission business/ licensee or distribution business/ licensee or the State Load Despatch Centre shall be allowed interest on the normative level of working capital for the financial year, computed as under,-

(i) In the case of liquid fuel based generating stations, the working capital shall comprise of,-

a) cost of liquid fuel for one month corresponding to approved generation; plus
b) operation and maintenance expenses for one month; plus
c) cost of the maintenance spares at one per cent of the historical cost of the plant and equipments; plus
d) receivables equivalent to the fixed charges and energy charges for sale of electricity for one month calculated at the approved generation:

Provided that in the case of own generating stations, no amount shall, in the computation of working capital in accordance with these Regulations, be allowed towards receivables, to the extent of supply of power by the generation business to the distribution business.

(ii) In the case of gas turbine/ combined cycle generating stations the working capital shall comprise of,-

a) cost of gas and liquid fuel for one month corresponding to approved generation; plus
b) operation and maintenance expenses for one month; plus
c) cost of maintenance spares at one per cent of the historical cost of plant and equipments; plus
d) receivables equivalent to fixed charge and energy charge for sale of electricity for one month calculated at approved generation:

Provided that in the case of own generating stations, no amount shall, in the computation of working capital in accordance with these

Regulations, be allowed towards receivables, to the extent of supply of power by the generation business to the distribution business.

(iii) In the case of hydro-electric generating stations the working capital shall comprise of,

a) operation and maintenance expenses for one month; plus

b) cost of maintenance spares at one per cent of the historical cost of plant and equipments; plus

c) receivables equivalent to fixed cost of one month:

Provided that in the case of own generating stations, no amount shall, in the computation of working capital in accordance with these Regulations, be allowed towards receivables, to the extent of supply of power by the generation business to the distribution business.

……

(2) Interest on normative level of working capital as per this Regulation shall be allowed at a rate equal to two percentage higher than the base rate as on the first day of April of the respective financial year, in respect of which the petition for approval of Aggregate Revenue Requirement and determination of tariff is filed. "

2.38 Regulation 3(12) of the Tariff Regulations, 2021 defines the Base Rate as follows;

"Base rate" means the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India as applicable on first day of April of respective financial year;

Analysis and Decision of the Commission

2.39 As per the Regulation 32 of the Tariff Regulations, 2021, the working capital of SBU-G consists of the following.

(1) O&M expenses for one month (as per norms)

(2) Cost of maintenance of spares (1% of the historical cost of the plants and equipment).

(3) Receivables – nil (since there is no cash flow between SBU–G, SBU-T and SBU-D of KSEB Ltd).

2.40 As per the Regulation 32(2), interest rate for working capital is 2% higher than the base rate as on the first day of the April of the respective financial year, in respect of the petition for the approval of the Truing up is filed. Further, as per the Regulation 3(12) of the Tariff Regulations, 2021, Base rate means the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India as applicable on first day of April of respective financial year.

As per the published information, the EBLR of SBI w.e.f 15.02.2023 to 14.02.2025 was 9.15%, and the same was reduced to 8.90% w.e.f 15.02.2025. Accordingly, the base rate as on 01.04.2024 is 9.15%.

Based on the above, the interest rate for arriving 'interest on working capital' is 9.15% +2% = 11.15%

2.41 Based on the above, the interest on normative working capital of SBU-G approved in the Truing up of accounts for the year 2024-25 is detailed below.

Table 2.14
Interest on working capital approved for SBU-G for the year 2024-25

Sl No	Particulars	Amount (Rs. Cr)
1	O&M expenses of SBU-G for the year 2024-25	202.52
2	O&M expenses of SBU-G for one month = (1)/12	16.88
3	Gross Fixed Asset of SBU-G as on 01.04.2024 (excluding land)	5846.62
4	Cost of maintenance of spares (1% of the historical cost)	58.47
5	Total working capital eligible as per Regulation = (2)+(4)	75.35
6	Base rate as on 01.04.2024	9.15%
7	Interest rate on working capital = Base rate+2%	11.15%
8	**Interest on working capital = (5)x (7)**	**8.40**

2.42 ***As above, the interest on working capital approved for SBU-G for the year 2024-25 is Rs.8.40 Cr, as against Rs.11.93 Cr claimed by KSEB Ltd.***

Interest on security deposits

2.43 *Since there is no security deposit available with SBU-G, no interest charges are provided for SBU-G by KSEB Ltd in their truing up petition. Hence no amount on this account is allowed by the Commission during 2024-25.*

Interest on GPF

2.44 The approval of the interest on employees provident fund is discussed under paragraph 6.122 to 6.125 of this Order. As per the Table 6.50 of this Order, the contribution of the interest on GPF balance approved for the Year 2024-25 is Rs 8.88 crore for the Year 2024-25.

Interest on Master Trust Bonds and principal repayment

2.45 The approval of the interest on Master Trust Bonds of KSEB Ltd is detailed under paragraphs 6.53 to 6.84 of Chapter-6 of this Order. ***As per Table 6.35 of Chapter-6 of this Order, the contribution of interest on Master Trust Bonds approved for the year 2024-25 as part of Truing up of accounts is Rs. 25.81 Cr.***

Other Charges

2.46 Approval of other charges as part of interest and finance charges is detailed under paragraph 6.126 to 6.129 of Chaper-6 of this Order. As per Table 6.53 other bank charges of SBU-G for the Year 2024-25 is Rs 0.38 crore.

Summary of the I&F charges of SBU-G approved for the Year 2024-25

2.47 As detailed in the preceding paragraphs, the summary of the interest and finance charges of SBU-G approved for the Year 2024-25 is given below.

Table 2.15
Summary of the interest and finance charges of SBU-G for the year 2024-25

No	Particulars	MYT Order dated 25.06.2022	As per audited accounts	Truing up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on Capital Liabilities	140.26	111.74	149.15	101.03
2	Interest on GPF	13.07	8.88	8.88	8.88
3	Interest on Working capital	7.45	7.64	11.93	8.40
4	Interest on Master Trust Bonds	28.59	25.81	25.81	25.81
5	Other Interests	0	0.52	0.38	0.38
6	Sub Total	189.37	154.59	196.15	144.50

Repayment of Master Trust Bonds

2.48 The approval of the repayment of Master Trust Bonds was discussed under paragraphs 6.53 to 6.88 of this Order. ***As per Table 6.35 of this Order, the repayment of Master Trust Bonds approved for the SBU-G for the year 2024-25 is Rs.21.99 Cr.***

Additional funds to the Master Trust

2.49 The approval of the additional funds to the Master Trust is detailed under paragraphs 6.85 to 6. 88 of Chapter-6 of this Order. ***As per Table 6.36 of this Order, the contribution of additional fund to the Master Trust for the year 2024-25 is Rs.21.60 Cr.***

Return on equity

2.50 The approval of the Return on Equity to KSEB Ltd is detailed under paragraphs 6.89 to 6.97 of Chapter-6 of this Order. ***As per Table 6.38 of this Order, the Commission hereby approves Rs.116.38 Cr as RoE towards SBU-G of KSEB Ltd for the year 2024-25.***

Exceptional items

2.51 The approval of the exceptional items claimed by KSEB Ltd in the year 2024-25 is discussed under paragraphs 6.106 to 6.110 of the Chapter-6 of this Order. ***Considering this, the Commission hereby approves Rs.0.09 Cr for SBU-G as claimed by KSEB Ltd towards exceptional items for the year 2024-25.***

Amortization of Software development cost under intangible Assets

2.52 The analysis and decision of the Commission regarding the proposal of KSEBL for the amortization of software development cost under intangible assets is detailed under paragraph 6.118 to 6.121 of this Order. Commission rejected the proposals due to the reasons specified therein.

Non-Tariff income

2.53 The approval of the Non-Tariff Income is detailed in paragraphs 6.111 to 6.117 of this Order. ***The Commission approves the non-tariff income of Rs. 211.87 Cr for SBU-G for the year 2024-25 for the purpose of Truing Up of Accounts.***

Summary and Transfer Cost of SBU-G

2.54 The primary role of SBU-G envisaged in the Transfer Scheme is to generate electricity and transfer it to SBU-D. All expenses incurred for the generation of electricity by the different stations of SBU-G is recovered from SBU-D as Transfer Cost, which is treated as the income from operations of SBU-G. As against the ARR&ERC approved cost of Rs.734.62 Cr, KSEB Ltd in their truing up petition has claimed the SBU-G transfer cost as Rs.714.05 Cr for the year 2024-25 for the purpose of Truing Up.

2.55 SBU-G does not have any separate tariff income. Instead, its tariff income is derived considering expenses such as cost of power generation, interest and finance charges, depreciation, O&M expenses, Return on Equity, etc., and after deducting the non-tariff income. This amount is considered as the transfer cost which it charges from the SBU-D. Total approved revenue requirements for SBU- G are the transfer cost of internal Generation to SBU-D as shown below:

Table 2.16
Approved Transfer Cost of SBU-G for 2024-25 (Rs. Cr)

No	Particulars	MYT Order dated 25.06.2022	Actuals	Truing Up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Cost of Generation of Power	0.00	5.17	5.17	5.17
2	O&M cost	221.63	493.97	208.22	202.52
3	Interest & Finance Charges	189.37	115.53	196.15	144.50
4	Depreciation	175.00	772.04	182.74	161.26
5	Repayment of master Trust Bond	21.99	0.00	21.99	21.99
6	Additional contribution to Master Trust	21.60	0.00	21.60	21.60
7	Amortisation of intangible assets	0.00	1.32	1.32	0.00
8	RoE	116.38	116.38	116.38	116.38
9	Exceptional Items	0.00	0.09	0.09	0.09
10	Others	0.00	14.10	0.00	0.00
11	ARR	745.97	1518.60	753.66	673.51
12	Less Non-Tariff Income	11.35	9.24	39.61	211.87
13	**Net ARR** (Transferred to SBU-D)	734.62	1509.36	714.05	461.64

2.56 ***As shown in the Table above the approved gross transfer cost of SBU-G is Rs.673.51Cr. After deducting Rs. 211.87 Cr on account of Non-Tariff Income the net transfer cost is arrived at Rs. 461.64 Cr.***

Revenue Gap/Surplus of SBU-G

2.57 The Commission after analyzing the petition and arguments of the petitioner KSEBL and the stakeholders, arrives at a net transfer cost of Rs. 461.64 Cr which is transferred as internal cost of generation to SBU-D. ***Since the entire cost of SBU-G is transferred to SBU-D as internal generation cost, there is no revenue gap or surplus for SBU-G for 2024-25.***

CHAPTER -3
TRUING UP OF ACCOUNTS OF STRATEGIC BUSINESS UNIT – TRANSMISSION (SBU-T) FOR THE YEAR 2024-25

Introduction

3.1 SBU-Transmission (SBU-T) is vested with the functions of development and management of the transmission network in the State and is the State Transmission Utility of Kerala State. It manages the construction, operation and maintenance of EHT substations and transmission lines. It also coordinates the activities of transmission system development. At present SBU-T is also entrusted with the responsibility of managing the State Load Despatch Centre (SLDC) activities and of the management of protection and communication system.

3.2 At present, SBU-T of KSEB Ltd operates at the voltage levels, 400 kV, 220kV, 110 kV, 66 kV and 33 kV. As on 31.03.2025, KSEB Ltd owns 2 nos 400 kV substation, 33 nos of 220 kV substations, 185 nos of 110kV substations, 47 nos of 66kV substations and 162 nos of 33kV substations. Further, there are 178 km 400 kV lines, 3541 km of 220 kV lines, 5840 km of 110 kV lines, 1472 km of 66 kV lines and 2472 km of 33 kV lines in the State.

3.3 The SBU-T is geographically organized into two zones, North and South, each headed by a Chief Engineer stationed at Kozhikode and Thiruvananthapuram. The system operations wing performs the real time management of Kerala Power System and is headed by a Chief Engineer with headquarters at Kalamassery. The implementation of Transgrid 2.0, long term transmission plan is entrusted with the Chief Engineer-Transgrid with headquarters at Shoranur.

Transmission loss

3.4 The total energy delivered to the transmission system during 2024-25 was 32306.20 MU. The actual peak demand met during the year 2024-25 was 5797MW. Based on the load flow studies conducted up to 33 kV level using computer simulation model in “Mi-Power” Software, the transmission losses are segregated. The methodology adopted for study is similar to that suggested by CEA and adopted by Forum of Regulators (FOR) for loss assessment. The actual energy losses in the transmission system upto 66kV were 924.10MU. The transmission loss approved by the Commission for the year 2024-25 and the actual are furnished below.

Table 3.1
KSEB petition- Transmission Losses for the year 2024-25

No	Voltage Level (kV)	MYT Order dated 25.06.2022	Losses	Losses upto the voltage level	Energy input	Actual Losses up to voltage level
		(%)	MU	MU	(MU)	(%)
1	400	3.20%	63.35	63.35	32306.2	0.20%
2	220		350.78	414.13		1.28%
3	110		450.45	864.58		2.68%
4	66		59.52	924.09		2.86%
5	Transmission loss (%)		924.09			2.86%

As above, the actual transmission loss reported by KSEB Ltd is 2.86% as against 3.20% approved vide the ARR&ERC order dated 25.06.2022 for the FY 2024-25.

Auxiliary consumption of substations of Transmission SBU

3.5 The auxiliary consumption of SBU-T claimed by KSEB Ltd for the year 2024-25 was 21.36MU as tabulated below. The auxiliary consumption in substations comprise of energy required for lighting, air compressors, battery charging, switch gears operating mechanism etc. KSEB Ltd in their petition has submitted the month wise auxiliary consumption as follows:

Table 3.2
Total Auxiliary consumption of Substations for 2024-25 in MU

Month	Total Auxiliary consumption from substation	K-FONE Consumption	Net Auxiliary Consumption of substations
	MU	MU	MU
Apr-24	2.68	0.62	2.06
May-24	2.46	0.62	1.84
Jun-24	2.24	0.59	1.65
Jul-24	2.21	0.60	1.60
Aug-24	2.29	0.62	1.67
Sep-24	2.28	0.61	1.67
Oct-24	2.34	0.62	1.72
Nov-24	2.34	0.62	1.72
Dec-24	2.41	0.63	1.77
Jan-25	2.44	0.63	1.81
Feb-25	2.35	0.61	1.74
Mar-25	2.73	0.63	2.10
Total	28.76	7.40	21.36

The auxiliary consumption is measured by the meters at the substations.

Expenses of SBU-T

3.6 As per the Truing up petition filed by KSEB Ltd, the expenses of SBU-T inclusive of Return on equity is Rs. 1654.89 Cr as against Rs.1706.12 Cr approved by the Commission vide the ARR&ERC dated 25.06.2022. The details are given below.

Table 3.3
KSEB Ltd- Expenses of SBU-T as per the True up petition for 2024-25

Sl No	Particulars	MYT Order dated 25.06.2022	Audited accounts	Truing Up claim	Deviation from approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest & Finance Charge	**503.85**	**394.77**	**506.91**	3.06
2	Return on Equity (14%)	119.99	119.99	119.99	0.00
3	Depreciation	331.52	448.72	336.46	4.94
4	O&M expenses	698.57	591.93	659.03	-39.54
5	Repayment of existing master trust bond	45.79		45.79	0.00
6	Additional contribution to Master Trust	44.98		44.98	0.00
7	Edamon - Kochi line compensation	19.02		7.68	-11.34
8	Pugalur – Thrissur line compensation	0.00	0.00	1.36	1.36

9	Amortising of intangible assets	0.00	1.32	1.32	1.32
9	Refund of liquidated damages	0.00	0.00	0.13	0.00
10	Exceptional items	0.00	0.05	0.05	0.05
10	Incentive on Transmission Availability	0.00		11.52	11.52
12	ARR	1763.72	1556.78	1735.22	-28.50
13	Less: Non-tariff Income	57.6	68.92	80.33	22.73
14	Net ARR (Cost Transferred to SBU-D)	1706.12	1487.86	1654.89	-51.23

3.7 The Commission has carried out a prudence check of each of the heads of expenditure viz-a-viz the Regulations. The details are discussed under subsequent paragraphs.

O&M Expenses

3.8 O&M expenses comprises of Employee expenses, R&M expenses and A&G expenses of SBU-T of KSEBL. According to KSEB Ltd, total O&M expenses of SBU-T approved vide the MYT Order is Rs 698.57 crore, however the same claimed for the Year 2024-25 is Rs 659.03 crore. The details are shown below:

Table 3.4
O&M expenses for SBU-T for 2024-25 as per petition

No	Particulars	Approved in ARR&ERC order	As per Accounts	As per True-up petition
		Rs. Cr	Rs. Cr	Rs. Cr
1	Employee expenses	(Total O&M expenses as per norms)	441.51	(Total O&M expenses as per norms)
2	A&G Expenses		126.13	
3	R&M Expenses		24.29	
4	Sub Total (O&M Expenses)	698.57	591.93	659.03

KSEB Ltd had claimed the O&M expenses as per the norms specified in the Tariff Regulations,2021.

3.9 As per the Tariff Regulations, 2021, O&M expenses of SBU-T is governed by the following parameters;

(i) Number of bays in the substation,
(ii) MVA capacity of the power transformer, and,
(iii) Length of transmission lines in ckt-km.

KSEB Ltd further submitted that, as per Tariff Regulations, 2021, the O&M expenses for any year of the Control Period shall be allowed by multiplying the O&M norms for that year with the actual number of bays existing at the beginning of the financial year, total MVA capacity of the transformers and transmission line length in circuit km for the previous year and at 50 per cent of the circuit kilometre of transmission lines, MVA capacity of the transformers and number of Bays in the substation of the Transmission Licensee added during the year and put to its intended use.

3.10 The details of the O&M cost drivers of SBU-T at the beginning of the Year 2024-25 and added during the Year is given below.

Table 3.5
Details of the O&M parameters of SBU-T of KSEB Ltd claimed for the year 2024-25

Item	At the beginning of the year 2024-25 (as on 01.04.2024)		Added during the year 2024-25	
	MYT Order dated 25.06.2022	Actuals	MYT Order dated 25.06.2022	Actuals
Substation Bays* (Nos)	3212	2929	88	97.00
Tran Lines (Ckt.km)	12021	10800.96	348	230.89
MVA Capapcity	25595	26373	1014	191.90

3.11 KSEB Ltd further submitted that, as per the Table-5 of the Annexure-7 of the Tariff Regulations, 2021, the norms specified for claiming O&M cost of SBU-T for the year 2024-25 is extracted below.

Table 3.6
O&M norms specified for SBU-T in the Tariff Regulations 2021

Particulars	2021-22	2024-25
Rs. Lakh per Bay	7.121	8.116
Rs. Lakh per MVA	0.788	0.898
Rs. Lakh per circuit km		1.639

3.12 KSEB Ltd further submitted that, the Note to the Pargraph-1 to the Annexure-7 of the Tariff Regulations, 2021 provides that, the escalation rate based on the actual inflation indices shall be adopted for approving the O&M expenses while Truing Up of the respective years. The escalation rate based on the actual inflation is 7.06% for the year 2022-23 over the year 2021-22, 3.41% for 2023-24 over 2022-23 and 3.05% for 2024-25 over 2023-24. Accordingly, the norms for claiming the O&M expenses for the year 2024-25 is arrived as detailed below.

Table 3.7
O&M Norms arrived by KSEB Ltd with escalation rate based on actual inflation index

Item	Norms approved for 2024-25	Norms for 2024-25 (Arrived by applying actual inflation)
Rs. lakh per Bay	8.116	8.125
Rs. lakh per MVA	0.898	0.899
Rs. lakh per circuit km	1.639	1.641

3.13 Based on the above, the actual O&M cost arrived by KSEB Ltd for SBU-T for the year 2024-25 is detailed below.

Table 3.8
O&M cost claimed for SBU-T for the year 2024-25

Item	2024-25
O&M cost for Bay (Rs lakh/Bay)	8.13
O&M cost (Rs lakh/circuit km)	1.64
O&M cost (Rs lakh/MVA)	0.90
Opening bays (Nos)	2929.00
Bays added during the year (Nos)	97.00
Opening line length (Circuit Km)	10800.96
Line length added during the year (Circuit Km)	230.89
Opening MVA	26373.00
MVA added during the year	191.90
For assets at the beginning of the year –(A) in Rs. Lakh	65232.90
For assets added during the year – (B) in Rs. Lakh	669.76
Total Normative O&M expenses in Rs. Lakh	65902.66
Total Normative O&M expenses – (A) + (B) Rs. Cr	659.03

Analysis and Decisions of the Commission

3.14 The Commission had examined in detail the O&M expenses of SBU-T as per the audited accounts and the KSEB Ltd claim in the Truing up as per the provisions of the Tariff Regulations, 2021. The details are discussed in the following paragraphs.

O&M expenses of SBU-T includes the following expenses, namely,

(i) Employee expenses,
(ii) Administration and General expenses (A&G expenses), and
(iii) Repair and Maintenance Expenses (R&M expenses).

3.15 Various provisions in the Tariff Revisions for approving O&M cost of various functional units of KSEBL is detailed under paragraph 6.132 to 6.137 under Chapter-6 of this Order. As detailed under Table 3.90, the O&M norms of SBU-T approved for the Year 2024-25 is given below.

Table 3.9
O&M Norms approved for SBU-T for the year 2024-25

Item	Norms approved for 2021-22	Escalation factor for 2022-23	Norms allowable for the Year 2022-23	Escalation for 2023-24	Norms allowable for 2023-24	Escalation for 2024-25	Norms allowable for 2024-25
Rs. lakh per Bay	7.121	7.06%	7.62	3.41%	7.884	3.05%	8.124
Rs. lakh per MVA	0.788		0.84		0.872		0.899
Rs. lakh per circuit km	1.438		1.54		1.592		1.641

3.16 The Commission has also examined the actual O&M parameters as on 01.04.2024 and also the parameters based on the asset added during the year 2024-25. The details are given in Table 3.5 under paragraph 3.10 above.

3.17 Based on the O&M norms as specified in Table under paragraph 3.15 above, and also based on the O&M parameters under paragraph 3.10 above, the normative O&M expenses allowable to the SBU-T of KSEB Ltd is given below.

Table 3.10
O&M expenses of SBU-T approved for the Year 2024-25

Sl No	Item	At the beginning of the year 2024-25 (as on 01.04.2024)	Added during the year 2024-25
1	O&M parameters		
	Substation Bays* (Nos)	2929	97.00
	MVA Capacity	26373	191.90
	Tran Lines (Ckt.km)	10800.96	230.89
2	Normative O&M expenses		
	Rs. Lakh per Bay	8.124	50% only
	Rs. Lakh per MVA	0.899	
	Rs. Lakh per circuit km	1.641	
3	O&M expenses allowable (Rs. Cr)	652.15	6.70
4	Total (Rs. Cr)	658.84	

3.18 As discussed in the preceding paragraphs, the total O&M expenses approved for SBU-T in the Truing up of accounts for the year 2024-25 is detailed below.

Table 3.11
Total O&M expenses of SBU-T of KSEB Ltd approved for the year 2024-25

No	Particulars	Approved in ARR&ERC order	As per Accounts	As per True-up petition	KSERC Approva
		Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
1	Employee expenses	(Total O&M expenses as per norms)	441.51	(Total O&M expenses as per norms)	(Total O&M expenses as per norms)
2	A&G Expenses		126.13		
3	R&M Expenses		24.29		
4	Sub Total (O&M Expenses)	698.57	591.93	659.03	658.84

Depreciation

3.19 The details of the approval of depreciation for the year 2024-25 is discussed under paragraphs 6.31 to 6.39 of Chapter-6 of this Order. As per Table 6.21 of this Order, the depreciation approved for SBU-T of KSEB Ltd for the year 2024-25 is Rs. 322.93 Cr.

Interest and financing charges of SBU-T for the year 2024-25

3.20 KSEB Ltd has claimed Rs. 506.91 Cr towards the interest and finance charges of SBU-T as against Rs. 503.85 Cr approved vide the ARR&ERC dated 25.06.2022 in petition OP No. 11/2022. Interest charges include interest on secured loans, master trust interest, interest on working capital, interest on PF balance etc. The claim of KSEB Ltd on interest and financing charges for the year 2024-25 is given below:

Table 3.12
Summary of the interest and finance charges of SBU-T claimed by KSEB Ltd for 2024-25

No	Particulars	MYT Order dated 25.06.2022	Accounts	True up petition
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on Outstanding Capital Liabilities	390.13	315.94	409.93
2	Interest on GPF	27.22	16.32	16.32
3	Interest on Master Trust Bonds	59.55	47.40	47.40
4	Interest on Working capital	26.95	14.03	32.51
5	Other charges	0.00	1.08	0.75
6	Total	503.85	394.77	506.91

The Commission has examined each item of the interest and financing charges for SBU-T for the year 2024-25 and the decision of the Commission is discussed in the following paragraphs.

Interest of long-term loan on normative basis.

3.21 The approval of the interest on long term loans on normative basis is detailed under paragraphs 6.40 to 6.48 of this Order. As per Table 6.25, the interest on normative loan of SBU-T for the year 2024-25 is Rs. 369.13 Cr.

Interest on working capital

3.22 KSEB Ltd submitted that, as per the Regulation 32 of the Tariff Regulations 2021, interest on working capital for SBU-T is allowed on normative basis at a rate equal to two per cent higher than the base rate as on the first day of the financial year in which petition is filed.

The Commission vide the ARR&ERC dated 25.06.2022 has approved the interest on working capital for the year 2024-25 at Rs. 26.95 Cr. As against the same, the interest on working capital claimed by KSEB Ltd for the year 2024-25 is Rs. 32.51 Cr. The details are given below.

Table 3.13
Interest on working capital claimed for SBU-T of KSEB Ltd for the Year 2024-25

Particulars	MYT Order dated 25.06.2022	True up requirement
	(Rs.Cr)	(Rs.Cr)
O&M Expenses As per norms	698.57	659.03
Additional contribution to Master Trust		44.98
Total O&M expenses		704.01
GFA Plants and Equipment	8277.84	9596.01
Transmission charges	1694.77	1643.63
O&M Expenses for one month	58.21	58.67
1% of Historical cost of plants & Equipment	82.78	95.96
Receivables (Transmission charges for one month)	141.23	136.97
Total requirement of working capital	282.22	291.6
Rate of interest	9.55%	11.15%
Interest on Working Capital	26.95	32.51

Provisions in the Regulations

3.23 The Regulation 32(1)(iii) of the Tariff Regulations 2021 provide as under;

"32. Interest on Working capital.–

(1) *The generation business/ company or transmission business/ licensee or distribution business/ licensee or the State Load Despatch Centre shall be allowed interest on the normative level of working capital for the financial year, computed as under,-*

……

(i) In the case of transmission business/ licensee the working capital shall comprise of,-

a) operation and maintenance expenses for one month; plus
b) cost of maintenance spares at one per cent of the historical cost of plant andequipment; plus
c) receivables equivalent to transmission charges for one month calculated at target availability:

Provided that the amount, if any, held as security deposits except the security deposits held in the form of bank guarantee from users of the transmission system shall be reduced while computing the working capital requirement.

……

(2) Interest on normative level of working capital as per this Regulation shall be allowed at a rate equal to two percentage higher than the base rate as on the first day of April of the respective financial year, in respect of which the petition for approval of Aggregate Revenue Requirement and determination of tariff is filed. "

Regulation 3(12) of the Tariff Regulations, 2021 defines the 'Base rate' as follows.

***"Base rate**" means the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India as applicable on first day of April of respectivefinancial year;*

Analysis and decision of the Commission

3.24 As per the Regulation 32 of the Tariff Regulations, 2021, interest on working capital is allowed on a normative basis for each business separately. The Commission has carefully examined the details furnished by KSEB Ltd.

3.25 As per Regulation 32(1)(iv) of the Tariff Regulations, 2021, the working capital requirement of SBU-T includes the following.
(1) O&M expenses for one month; plus
(2) Cost of maintenance of spares at 1% of the historical cost of the plants and equipment; plus
(3) Receivables equivalent to transmission charges for one month

3.26 As per the Regulation 32(2), interest rate for working capital is 2% higher than the base rate as on the first day of the April of the respective financial year, in respect of the petition for the approval of the Truing up is filed. Further, as per the Regulation 3(12) of the Tariff Regulations, 2021, Base rate means the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India as applicable on first day of April of respective financial year.

As per the published information, the EBLR of SBI w.e.f 15.02.2023 to 14.02.2025 was 9.15%, and the same was reduced to 8.90% w.e.f 15.02.2025. Accordingly, the base rate as on 01.04.2024 is 9.15%.

Based on the above, the interest rate for arriving 'interest on working capital' is 9.15% +2% = 11.15%

3.27 Based on the above, the interest on working capital is estimated as follows:

Table 3.14
Estimation of interest on working capital for SBU-T for the year 2024-25

Sl No	Particulars	KSERC Approval (Rs. Cr)
1	O&M Expenses As per norms	658.84
2	O&M Expenses for one month	54.90
3	GFA as on 01.04.2024 (Plants and equipment only excluding land	9394.03
4	1% of the historical cost	93.94
5	Receivables (Transmission charges for one month) (Since there is no cash flow between SBU-T and SBU-D, receivables is nil)	0.00
6	Total requirement of working capital = (2)+(4)+(5)	148.84
7	Rate of interest	11.15%
8	Interest on Working Capital	16.60

3.28 ***As above, the Commission approves Rs.16.60 Cr towards interest on working capital of SBU-T for the year 2024-25.***

Interest on GPF

3.29 The approval of the interest on employee's provident fund is discussed under paragraph 6.122 to 6.125 of this Order. As per the Table 6.50 of this Order, the contribution of the interest on GPF balance approved for the Year 2024-25 is Rs 16.32 crore for SBU-T for the Year 2024-25.

Interest on Master Trust Bonds to the Master Trust

3.30 The approval of the interest on Master Trust Bonds of KSEB Ltd is detailed under paragraphs 6.53 to 6.84 of Chapter-6 of this Order. ***As per Table 6.35 of Chapter-6, the contribution of interest on Master Trust Bonds of SBU-T approved for the year 2024-25 as part of Truing up of accounts is Rs. 47.40 Cr.***

Other charges

3.31 Approval of other charges as part of interest and finance charges is detailed under paragraph 6.126 to 6.129 of Chaper-6 of this Order. As per Table 6.53 other bank charges of SBU-T for the Year 2024-25 is Rs 0.75 crore.

Summary of the interest and finance charges of SBU-T

3.32 As detailed in the preceding paragraphs, the summary of the interest and finance charges approved for the year 2024-25 is as follows:

Table 3.15
Summary of the interest and finance charges of SBU-T for the year 2024-25

No	Particulars	MYT Order dated 25.06.2022	Accounts	True up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on Outstanding Capital Liabilities	390.13	315.94	409.93	369.13
2	Interest on GPF	27.22	16.32	16.32	16.32
3	Interest on Master Trust Bonds	59.55	47.40	47.40	47.40
4	Interest on Working capital	26.95	14.03	32.51	16.60
5	Other charges	0.00	1.08	0.75	0.75
6	Total	503.85	394.77	506.91	450.20

As detailed above, the interest and finance charges approved for the year 2024-25 for SBU-T is Rs. 450.20 Cr against Rs.506.91 Cr claimed by KSEB Ltd.

Repayment of Master Trust Bonds

3.33 The approval of the repayment of Master Trust Bonds was discussed under paragraphs 6.53 to 6.88 of this Order. ***As per Table 6.35 of this Order, the repayment of Master Trust Bonds approved for the SBU-T for the year 2024-25 is Rs.45.81 Cr.***

Additional funds to the Master Trust

3.34 The approval of the additional funds to the Master Trust is detailed under paragraphs 6.85 to 6.88 of Chapter-6 of this Order. ***As per Table 6.36 of this Order, the contribution of additional fund to the Master Trust of SBU-T for the year 2024-25 is Rs.44.98 Cr.***

Return on equity

3.35 The approval of the Return on Equity to KSEB Ltd is detailed under paragraphs 6.89 to 6.97 of Chapter-6 of this Order. ***As per Table 6.38 of this Order, the contribution of RoE to the SBU-T of KSEB Ltd for the year 2024-25 is Rs.119.99 Cr.***

Exceptional items

3.36 The approval of the exceptional items claimed by KSEB Ltd in the year 2024-25 is discussed under paragraphs 6.106 to 6.110 of the Chapter-6 of this Order.

The Commission ordered to approve Rs.0.05 Cr claimed by KSEB Ltd towards exceptional items of SBU-T for the year 2024-25.

Amortisation of intangible assets

(a) Edamon-Kochi Line

3.37 KSEB Ltd submitted that, the State Government vide G.O.(Ms) No.29/ 2015/ PD dated 30/07/2015 of Power (C) Department, approved a revised Special Compensation Package, meant exclusively for the construction of 400 kV transmission line in the Edmon – Kochi sector, as a special case.

3.38 KSEB Ltd further submitted that, the Commission, as per Order dated 09.08.2019 in OP 58/2018, has provisionally approved 50% of the additional financial liability due to the special compensation package of the 400 KV Edamon - Kochi transmission line as KSEB Ltd's share as per the orders of the Government. KSEB Ltd share of compensation actually paid was allowed to be recovered in 12 years with interest as part of truing up.

3.39 KSEB Ltd further submitted that a sum of Rs.18 Cr was paid during 2019-20 out of which, KSEB Ltd share was Rs.9 Cr. A sum of Rs. 0.75 Cr was proposed for amortization during 2019-20. A sum of Rs.22 Cr was paid during 2020-21 out of which, KSEB Ltd share was Rs.11 Cr. A sum of Rs. 40.65 Cr was paid during 2021-22 against this, KSEB Ltd share was Rs. 20.33 Cr.

During the year 2022-23, a sum of Rs. 25.78 Cr was paid and out of which KSEB Ltd share was Rs. 12.89 Cr.

During the year 2021-22, Rs. 3.36 Cr was proposed for amortization and for the FY 2022-23 an amount of Rs. 8.08 Cr is proposed for the amortization along with interest. KSEBL proposed an amount of Rs 8.08 crore for amortisation along with interest. For the Year 2023-24, an amount of Rs 7.73 Cr was proposed for amortization along with interest.

In the Year 2024-25, an amount of Rs 7.68 Crore is proposed for amortization along with interest.

3.40 KSEBL further submitted that, as per the Orders of the Commission, interest (at average rate of interest for 2023-24 @9.51%) and amortization amounts to Rs 7.68 Crore for the Year 2024-25. The details claimed by KSEBL is given below.

Table 3.16
Amortisation & Interest on compensation of Edamon- Kochi Line

				2023-24			2024-25		
Sl.No	Amount (Rs Cr)	Year of disbursement	KSEBL share (Rs Cr)	Amortization (Rs Cr)	Balance (Rs Cr)	Interest (Rs. Cr)	Amortization (Rs Cr)	Balance (Rs Cr)	Interest (Rs.Cr)
1	5.20	2019-20	2.60	0.22	1.51	0.13	0.22	1.29	0.12
2	0.80	2019-20	0.40	0.03	0.24	0.02	0.03	0.21	0.02
3	12.00	2019-20	6.00	0.50	3.50	0.30	0.50	3.00	0.29
4	22.00	2020-21	11.00	0.92	7.32	0.63	0.92	6.41	0.61
5	40.65	2021-22	20.33	1.69	15.26	1.30	1.69	13.56	1.29
6	25.78	2022-23	12.89	1.07	10.74	0.92	1.07	9.67	0.92
7				0.00	0.00	0.00	0.00	0.00	0.00
8		Total		4.44	38.57	3.62	4.44	34.14	3.25

KSEB Ltd has claimed a total amount of Rs. 7.68 Cr towards amortization (Rs.4.44 Cr) and interest (Rs.3.25 Cr) during the Year 2024-25.

(b) Pugalur- Thrissur Line

3.41 KSEB Ltd submitted that, Government of Kerala vide G.O(MS)No.7/2019/PD dated 04.05.2019 and G.O.(MS) No.15/2019/Power dated 19-7-2019 have issued special compensation package for construction of Thrissur to Pugalur +-320 KV HVDC transmission line from Thrissur to Pugalur forming part of the Raigarh-Pugalur-Thrissur HVDC scheme and for the Line in Line out construction of Thrissur to Kochi. Government vide Order dated 18-5-2021 has ordered that the financial liability due to special compensation package shall be shared equally between Government of Kerala and KSEB Ltd. The approximate estimate of compensation to be paid in accordance with the orders is worked out as Rs.45 Cr and KSEB Ltd share is estimated as Rs.25.11 Cr at 50:50 sharing of expense by KSEB Ltd/GoK.

3.42 The Commission vide the Orde dated 01.12.2023 in OP No. 42/2023, provisionally approved 50% of the additional financial liability due to 'special compensation package' of the 320kV HVDC Pugalur-Thrissur Transmission line, as KSEBL's share as per Orders of the State Government. KSEBL share of compensation actually paid are allowed to recover in 12 years with interest as part of Truing Up.

3.43 KSEB Ltd further submitted that, an amount of Rs. 0.15 crore has been transferred to the District Collector, Ernakulam during the Year 2023-24. Details of the compensation released during the year 2024-25 is given below.

Table 3.17
Details of the compensation of Pugalur-Thrissur line released during the year 2024-25

Sl No	Amount Paid (Rs)	Payment Details	Sanctioned vide BO
1	14,27,454.00	Cheque No.238470 dtd 12.09.2024	BO.(FTD) No. 450/2023/D(T&SO)/T4/Pugalur-Thrissur compensation/2020-21 dt. Tvpm. 16.10.2023
2	68,59,914.00	Cheque No.238470 dtd 12.09.2024	
3	22,88,904.00	Cheque No.2385985 dtd 13.11.2024	
	1,05,76,272.00		

3.44 The details of the amortization and interest compensation of the Pugalur-Thrissur line is given below.

Table 3.18
Amortisation and interest on compensation for Pugalur- Thrissur line

Sl.No	Year of disbursement	KSEBL share (Rs Cr)	2022-23		2023-24		2024-25		
			Amortization (Rs Cr)	Balance (Rs Cr)	Amortization (Rs Cr)	Balance (Rs Cr)	Amortization (Rs Cr)	Balance Rs(Cr)	Int. Amount (Rs. Cr)
1	2021-22	0.30	0.03	0.25	0.03	0.23	0.025	0.20	0.019
2	2021-22	2.50	0.21	2.08	0.21	1.88	0.208	1.67	0.159
3	2022-23	4.83	0.40	4.43	0.40	4.03	0.403	3.62	0.345
4	2023-24	0.15			0.01	0.14	0.013	0.13	0.012
5	2024-25	1.06					0.088	0.97	0.092
	Total		0.40	4.43	0.65	4.17	0.737	6.59	0.626
	Total amount(Amortization & Interest) for 2024-25						1.364		

KSEB Ltd has claimed Rs 1.363 crore (Rs 0.737 crore towards amortisation and 0.626 crore towards interest as part of compensation paid as part of construction of the Pugalur- Thrissur transmission lines.

3.45 Thus the total amortisation of intangible assets claimed and interest for the Year 2024-25 amounts to Rs 9.04 crore as detailed below.

Table 3.19
Total amortization of intangible assets including interest for the Year 2024-25

Sl. No.	Transmission Line	Amortization amount (Rs. Cr.)
1	Edamon-Kochi	7.68
2	Pugalur-Thrissur	1.36
	Total	9.04

Analysis and Decision of the Commission

3.46 The Commission has examined in detail the amortization of intangible assets as part of Special Compensation package of Edamon- Kochi Transmission line which forms part of Kudankulam Transmission system. The Commission has also noted the proposal to amortize the compensation paid towards special compensation package of this line.

Amortization of the compensation package of the Edamon-Kochi Transmission system

3.47 The Commission vide Order dated 09.08.2019 in Petition OP No. 58/2018 had approved the special compensation package of Edamon-Kochi Transmission system. The relevant part of the Order is extracted below.

"18. The Commission after examining the petition filed by KSEB Ltd as per the provisions of the Electricity Act, 2003, KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018, Ind As 38 and other relevant facts and documents, hereby orders the following.

(1) The Commission provisionally approves 50% of the additional financial liability due to the 'special compensation package' of the 400 kV Edamon- Kochi Transmission line, as KSEB Ltd's share as per the orders of the State Government.

(2) The share of KSEB Ltd under additional special compensation package shall be treated as the 'intangible assets' of KSEB Ltd of the financial year(s) in which KSEB Ltd actually make the payment to the farmers and landowners, and it shall be allowed to be amortized over a period of 12 years from the year(s) from which KSEB Ltd actually make the payment.

(3) KSEB Ltd shall, along with the petitions on truing up of the relevant year(s) in which the payment towards the additional special compensation is made, submit the details of the additional special compensation paid to farmers and landowners in connection with the construction of the 400 kV Edamon-Kochi line.

(4) The Commission shall allow recovery of the yearly amortization amount along

with interest, as expense of KSEB Ltd and to be recovered through tariff.

(5) The Commission shall not allow O&M expenses, return on equity or any such expenses over and above the 'amortisation amount with interest' to the intangible assets so created towards the KSEB Ltd share of additional special compensation package as per the orders of the State Government. Further, since the intangible asset so created is being amortised over a period of 12 years no separate provision for depreciation shall be provided.

The petition is disposed of accordingly."

3.48 As extracted above, the Commission vide Order dated 09.08.2019 in OP No. 58/2018 ordered that, KSEB Ltd shall share 50% of the amount paid to land owners and farmers as compensation as part of the special compensation package of Edamon-Kochi transmission system. The Commission further ordered that, the share of KSEB Ltd shall be treated as 'intangible assets' and permit KSEB Ltd to amortize the same over a period of 12 years. ***The Commission shall allow recovery of the yearly amortization amount along with interest, as expense of KSEB Ltd. KSEB Ltd is permitted to claim these amounts as part of Truing up petition.***

3.49 The Commission has examined the amount paid by KSEB Ltd as part of special compensation package with the above provisions of the Order dated 09.08.2019 and noted the following.

(1) As part of the special compensation package of the Edamon-Kochi line, KSEB Ltd had disbursed Rs.18.00 Cr during the year 2019-20. Out of it, the share of KSEB Ltd allowed to pass on to the consumers is Rs.9.00 Cr.

(2) Furter, KSEB Ltd has disbursed Rs.22.00 Cr as special compensation in the year 2020-21, and its share to KSEB Ltd allowed to pass on to the consumers through tariff is Rs.11.00 Cr.

(3) In addition to the above, KSEB Ltd has disbursed Rs.40.65 Cr in the year 2021-22 as special compensation package of Edamon- Kochi Line, and out of it KSEB Ltd share is Rs.20.325 Cr.

(4) During the year 2022-23, KSEB Ltd has disbursed Rs.25.78 Cr as special compensation package of Edamon-Kochi line, and out of it KSEB Ltd share was Rs.12.89 Cr.

(5) The Commission has permitted KSEB Ltd to amortise the intangible assets over a period of 12 years.

(6) The interest rate adopted for computing the interest on tangible asset is @ 9.50%, the average interest rate of KSEB Ltd loan as on 01.04.2024.

3.50 With the above details, the Commission has determined the yearly amortisation and interest admissible for the year 2024-25, for the amortization of the intangible assets of the special compensation package of Edamon-Kochi line as detailed below.

Table 3.20
Amortization and interest of the compensation paid towards Edamon-Kochi Transmission line

Sl. No	Total compensation paid (Rs Cr)	Year of disbursement	KSEBL share (50%) (Rs.Cr)	Balance at the beginning of the year	Amortization for 2024-25 (1/12th of the compensation) (Rs. Cr)	Balance share as on 31.03.2025 (Rs Cr)	Avg balance during 2024-25 (Rs.Cr)	Interest admissible @ 9.50%	Total amount admissible towards amortisation & interest (Rs.Cr)
1	5.20	2019-20	2.60	1.52	0.22	1.30	1.41	0.12	0.34
2	0.80	2019-20	0.40	0.23	0.03	0.20	0.21	0.02	0.05
3	12.00	2019-20	6.00	3.5	0.50	3.00	3.25	0.29	0.79
4	22.00	2020-21	11.00	7.33	0.92	6.41	6.87	0.61	1.53
5	40.65	2021-22	20.33	15.25	1.69	13.56	14.40	1.29	2.98
6	25.78	2022-23	12.89	10.74	1.07	9.67	10.20	0.92	1.99
Total			53.22	**38.57**	**4.44**	**34.14**		3.24	7.68

Amortization of intangible assets of Pugalur-Thrissur Transmission system

3.51 The Commission vide the Order dated 01.12.2023 in petition OP No. 42/2023 had approved the special compensation package of the 320kV HVDC Pugalur-Thrissur line. The relevant portion of the Order of the Commission is extracted below.

"14. The Commission after examining the petition filed by KSEB Ltd as per the provisions of the Electricity Act, 2003, KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, Ind As 38 and other relevant facts and documents, hereby orders.the following;

(1) The Commission provisionally approves 50% of the additional financial liability due to the 'special compensation package' of the 320 kV HVDC Pugalur-Thrissur Transmission line, as KSEB Ltd's share as per the orders of the State Government.

(2) The share of KSEB Ltd under additional special compensation package shall be treated as the 'intangible assets' of KSEB Ltd of the financial year(s) in which KSEB Ltd actually make the payment to the farmers and landowners, and it shall be allowed to be amortized over a period of 12 years from the year(s) from which KSEB Ltd actually make the payment.

(3) KSEB Ltd shall, along with the petitions on truing up of the relevant year(s) in which the payment towards the additional special compensation is made, submit the details of the additional special compensation paid to farmers and land owners in connection with the construction of the 320 kV HVDC Pugalur-Thrissur Transmission line.

(4) The Commission shall allow recovery of the yearly amortization amount along with interest, as expense of KSEB Ltd and to be recovered through tariff.

(5) The Commission shall not allow O&M expenses, return on equity or any such expenses over and above the 'amortization amount with interest' to the intangible assets so created towards the KSEB Ltd share of additional special compensation package as per the orders of the State Government. Further, since the intangible asset so created is being amortized over a period of 12 years no separate provision for depreciation shall be provided."

3.52 As extracted above, similar to Edamon-Kochi compensation package, the Commission vide the Order dated 01.12.2023 in Petition OP No. 42/2023 had ordered that, KSEB Ltd may share 50% of the compensation paid to land owners and farmers as compensation as part of the special compensation package approved by the State Government as part of special compensation package of Pugalur-Thrissur transmission system. The Commission further ordered that, the share of KSEB Ltd shall be treated as 'intangible assets' and permit KSEB Ltd to amortize the same over a period of 12 years.

The Commission further ordered that, it shall allow the recovery of the yearly amortization amount along with interest, as expense of KSEB Ltd and to be allowed to recover through tariff.

3.53 The Commission has examined the amount of compensation paid by KSEB Ltd as part of the special compensation package of Pugalur-Thrissur transmission system. The details are given below.

(1) During the year 2021-22, KSEB Ltd has remitted Rs.6,02.638/- including share of the State Government towards compensation of tower standing area. The share of KSEB Ltd was Rs.3,01,319/-.

(2) Further, KSEB Ltd during the year 2021-22 has remitted Rs.2,49,83,467 towards its share of compensation of tower standing area (TSA) and line corridor.

(3) During the year 2022-23, KSEB Ltd has remitted Rs.4.83 Cr towards its share of compensation.

(4) During the Year 2023-24, KSEBL has remitted Rs 0.1536 crore towards the share of compensation.

(5) During the year 2024-25, KSEBL has remitted Rs 1.057627 crore towards share of compensation.

(6) The average interest rate of its capital liabilities during the year was 9.50%.

3.54 Based on the details submitted by KSEB Ltd, amortization and interest of the compensation package of Pugalur- Thrissur transmission, eligible to recover through tariff is given below.

Table 3.21
Amortization and interest of the compensation paid towards Pugalur-Thrissur Transmission line

Sl.	Year of disbursement	KSEB Ltd share (50%) (Rs.Cr)	Balance share as on 31.03.2024 (Rs Cr)	Amortization for 2024-25 (1/12th of the compe-nsation) (Rs. Cr)	Balance share as on 31.03.2024 (Rs Cr)	Avg balance during 2023-24 (Rs.Cr)	Interest admissible @ 9.51%	Total amount admissible towards amortisation & interest (Rs.Cr)
1	2021-22	0.302	0.226	0.0252	0.2008	0.213	0.019	0.044
2	2021-22	2.498	1.874	0.2082	1.6658	1.770	0.158	0.366
3	2022-23	4.830	4.025	0.4025	3.6225	3.824	0.344	0.747
4	2023-24	0.154	0.141	0.0128	0.1282	0.135	0.012	0.025
5	2024-25	1.058	0.000	0.0882	0.9698	1.014	0.092	0.180
Total			6.266	**0.7369**	**6.5871**		0.626	1.363

3.55 ***As discussed in the preceding paragraphs, the Commission here by approve Rs.9.04 Cr towards the amortization of intangible assets of Edamon-Kochi Transmission line and Pugalur-Thrissur Transmission line. The details are given below.***

Table 3.22
Amortization and interest of the intangible assets for the year 2024-25

Sl No	Transmission line	Amortisation	Interest	Total
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Edamon- Kochi Transmision line	4.44	3.24	7.68
2	Pugalur-Thrissue Transmission line	0.74	0.63	1.36
	Total	5.17	3.87	9.04

Transmission availability and Incentive

3.56 KSEB Ltd submitted that, the transmission system availability for the year 2024-25 was 99.19% as against the target availability of 98.50%. KSEB Ltd further submitted that, as per the Regulation 56(2) of the Tariff Regulations, 2021, the licensee is eligible for incentive for achieving annual availability above the target availability for the year 2024-25. KSEB Ltd also submitted the certificate of SLDC certifying the overall transmission availability of 99.19%. KSEB Ltd has claimed Rs.11.51 Cr towards incentive for achieving the transmission availability above the target for the year 2024-25.

Analysis and Decision of the Commission

3.57 The Commission has examined the achievement of transmission availability at 99.19% as against the target of 98.50%, and also noted the claim of Rs.11.51 Cr towards incentive for achieving the transmission availability above the target as per the Tariff Regulations, 2021.

The Commission appreciate the efforts of KSEB Ltd in achieving the transmission availability above the target availability as per the Tariff Regulations, 2021. KSEB Ltd is eligible for incentive of Rs.11.51 Cr as per the Regulations. However, considering the huge unbridged revenue gap of

Rs.6645.301 crore as on 31.03.2024, requiring substantial upward revision in retail tariff, the Commission has taken the considered decision to defer the claim of incentive on transmission availability in the year 2024-25. However, once the approved revenue gap of KSEB Ltd is brought down to manageable levels, KSEB Ltd can claim the incentives subsequently.

Non-Tariff income

3.58 The approval of the Non-Tariff Income is detailed in paragraphs 6.111 to 6.117 of this Order. The total non-tariff income approved for the purpose of Truing Up of SBU-T for the Year 2024-25 is Rs. 80.33 Cr.

Summary and Transfer cost of SBU-T

3.59 The primary role of SBU-T envisaged in the Transfer Scheme is to transmit electricity to SBU-D. All expenses incurred for the transmission of electricity by SBU-T is recovered from SBU-D as Transfer Cost, which is treated as the income from operations of SBU-T.

As against an ARR&ERC approved cost of Rs.1706.72 Cr, KSEB Ltd in their truing up petition has claimed Rs. 1654.89 Cr for the Year 2024-25.

3.60 SBU-T does not have any separate tariff income. Instead, its tariff income is derived considering expenses such as interest and finance charges, depreciation, O&M expenses, Return on Equity, etc., and after deducting the non-tariff income. This amount is considered as the transfer cost to the SBU-D of KSEB Ltd. The transfer cost of SBU-T to the SBU-D approved for the year 2024-25 is Rs. 1571.62Cr as detailed below:

Table 3.23
Approved Transfer Cost of SBU-T for 2024-25

Sl No	Particulars	MYT Order dated 25.06.2022	Audited accounts	Truing Up claim	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest & Finance Charge	**503.85**	**394.77**	**506.91**	450.20
2	Return on Equity (14%)	119.99	119.99	119.99	119.99
3	Depreciation	331.52	448.72	336.46	322.93
4	O&M expenses	698.57	591.93	659.03	658.84
5	Repayment of existing master trust bond	45.79		45.79	45.79
6	Additional contribution to Master Trust	44.98		44.98	44.98
7	Edamon - Kochi line compensation	19.02		7.68	7.68
8	Pugalur – Thrissur line compensation	0.00	0.00	1.36	1.36
9	Amortising of intangible assets	0.00	1.32	1.32	0.00
9	Refund of liquidated damages	0.00	0.00	0.13	0.13
10	Exceptional items	0.00	0.05	0.05	0.05
10	Incentive on Transmission Availability*	0.00		11.52	0.00
12	ARR	1763.72	1556.78	1735.22	1651.95
13	Less: Non-tariff Income	57.6	68.92	80.33	80.33
14	Net ARR (Cost Transferred to SBU-D)	1706.12	1487.86	1654.89	1571.62

**Deffered*

3.61 ***As above, the Commission hereby provisionally approve the gross ARR of SBU-T in the process of Truing Up at Rs.1651.82Cr for the year 2024-25. The net transfer cost after accounting the Non-Tariff Income is Rs.1571.49 Cr for the year 2024-25.***

Revenue Gap/Surplus of SBU-T

3.62 The Commission after analyzing the petition and the submissions of the petitioner KSEB Ltd and the stakeholders, arrives at a net transfer cost of Rs.1571.49Cr which is transferred as internal cost of transmission to SBU-D. Since the entire cost of SBU-T is transferred to SBU-D as internal transmission cost, there is no revenue gap or surplus for SBU-T for the year 2024-25.

CHAPTER-4
ENERGY SALES AND T&D LOSS

4.1 KSEB Ltd in the Truing up petition submitted that, the Commission vide the MYT Order dated 25.06.2022 for the period from 2022-23 to 2026-27, had approved the energy sale for the year 2024-25 at 26896.58 MU after accounting the impact of solar penetration and e-mobility. The energy sale estimated without the accounting for solar penetration and e-mobility was 27236.10 MU.

As against the estimate of energy sale in the ARR&ERC, the actual energy sale in the State for the year 2024-25 was 28148.34 MU.

A comparison of the energy sale approved and the actuals is given as Annexure-4.1 to this Order. Its summary is given in the Table below.

Table 4.1
Summary of the energy sale for the Year 2024-25

Sl. No	Category	MYT Order dated 25.06.2022 (MU)	Actual (MU)	Deviation (MU)	% variation of energy sales against approval
I	LT Category				
	(i) Domestic	14665.01	13875.80	-789.21	-5.38%
	(ii) Industry [IV(A) & (IV(B)]	1128.65	1319.45	190.80	16.91%
	(iii) Agriculture [V(A) & V(B)]	433.96	426.10	-7.86	-1.81%
	(iv) LT-VI categories	1745.45	2128.42	382.97	21.94%
	(v) LT-VII Commercial	1933.26	2839.03	905.77	46.85%
	(vi) Public lighting	310.61	378.25	67.64	21.78%
	(vii) LT IX Advt & Hoardings	0.97	2.76	1.79	
	(viii) EV charging stations	0.55	14.50	13.95	
	LT Total	**20218.46**	**20984.31**	**765.85**	**3.79%**
II	HT category				
	(i) HT Industries	2508.31	2604.35	96.04	3.83%
	(ii) HT -II & HT-IV commercial	1596.91	2162.93	566.02	35.44%
	(iii) HT Agriculture	12.17	6.84	-5.33	-43.80%
	(iv) HT Domestic	27.75	23.48	-4.27	-15.39%
	(v) HT-EV charging stations	127.86	5.78	-122.08	-95.48%
	HT total	**4273.00**	**4804.50**	**531.50**	**12.44%**
III	EHT category				
	EHT Industries	1257.23	1082.44	-174.79	-13.90%
	EHT Total	**1712.04**	**1664.51**	**-47.53**	**-2.78%**
IV	**Small licensees**	**693.09**	**695.05**	**1.96**	**0.28%**
V	**Total sale by KSEBL**	**26896.59**	**28148.37**	**1251.78**	**4.65%**

4.2 A comparison of the energy sale of 2024-25 with the previous year is given as Annexure-4.2 of this Order. Its summary is given in the Table below.

Table 4.2
Summary of the energy sale of 2024-25 with the previous Years 2022-23 and 2023-24

	Category	2021-22	2022-23			2023-24			2024-25		
		(MU)	(MU)	Increase over previous Year (MU)	(%) of increase	(MU)	Increase over previous Year	(%) of increase	(MU)	Increase over previous Year	(%) of increase
I	LT Category										
	(i) Domestic	12679.39	12380.21	-299.18	-2.36%	13735.43	1355.22	10.9%	13873.78	138.35	1.01%
	(ii) Industry [IV(A) & (B)]	1165.21	1262.02	96.81	8.31%	1298.31	36.29	2.9%	1319.45	21.14	1.63%
	(iii) LT [V(A) & V(B)]-Agri	374.09	382.45	8.36	2.23%	451.25	68.80	18.0%	426.10	-25.15	-5.57%
	(iv) LT-VI categories	1598.56	1797.62	199.06	12.45%	2034.68	237.06	13.2%	2128.42	93.74	4.61%
	(v) LT-VII Comm (total)	1709.01	2258.37	549.36	32.14%	2643.41	385.04	17.0%	2839.03	195.62	7.40%
	(vi) Public lighting	362.83	362.30	-0.53	-0.15%	374.56	12.26	3.4%	378.25	3.69	0.99%
	(vii) EV charging	0.69	2.56	1.87	271.01%	8.45	5.89	230.1%	14.50	6.05	71.60%
	LT Total	17891.01	18448.70	557.69	3.12%	20550.13	2101.43	11.4%	20984.31	434.18	2.11%
II	HT category										
	(i) HT Industries	2296.90	2485.99	189.09	8.23%	2521.76	35.77	1.4%	2604.26	82.50	3.27%
	(ii) HT -II & HT-IV comm	1370.19	1737.34	367.15	26.80%	2026.71	289.37	16.7%	2162.93	136.22	6.72%
	(iii) HT Agriculture	8.63	9.05	0.42	4.87%	7.97	-1.08	-11.9%	6.84	-1.13	-14.18%
	(iv) HT Domestic	17.97	19.07	1.10	6.12%	21.82	2.75	14.4%	23.48	1.66	7.61%
	(iv) HT-EV charging	0.00	0.53	0.53		2.19	1.66	313.2%	5.78	3.59	163.93%
	HT total	3693.96	4252.28	558.32	15.11%	4581.62	329.34	7.7%	4804.41	222.79	4.86%
III	EHT category										
	EHT Industries	1018.91	1172.33	153.42	15.06%	1287.83	115.50	9.9%	1082.44	-205.39	-15.95%
	EHT Total	1407.22	1642.57	235.35	16.72%	1821.23	178.66	10.9%	1664.51	-156.72	-8.61%
IV	Small licensees	506.91	579.13	72.22	14.25%	650.44	71.31	12.3%	695.05	44.61	6.86%
V	Total sale by KSEBL	23499.10	24922.68	1423.58	6.06%	27603.42	2680.74	10.8%	28148.28	544.86	1.97%

4.3 Comparison of the category wise consumer strength, of 2024-25 with previous years is given as Annexure 4.3, and its summary is given in the Table below.

Table 4.3
Comparison of the consumer strength

	Category	2021-22	2022-23		2023-24		2024-25	
		(Nos)	(Nos)	Increase over previous Year (Nos)	(Nos)	Increase over previous Year (Nos)	(Nos)	Increase over previous Year (Nos)
I	LT Category							
	(i) Domestic	10246625	10376078	129453	10494734	118656	10618663	123929
	(ii) Industry [IV(A) & (B)]	145491	146586	1095	147605	1019	148645	1040
	(iii) Agriculture [V(A) & V(B)]	510277	518337	8060	526426	8089	536958	10532
	(iv) LT-VI categories	801005	831505	30500	863456	31951	885609	22153
	(v) LT-VII Comm (total)	1652652	1701131	48479	1747594	46463	1788487	40893
	(vi) Public lighting	57194	64375	7181	72860	8485	80941	8081
	(vii) EV charging	219	1536	1317	1813	277	2078	265
	LT Total	13415521	13641417	225896	13856463	215046	14063613	207150
II	HT category							
	(i) HT Industries	2676	2887	211	3037	150	3108	71
	(ii) HT -II & HT-IV comm	3944	4108	164	4367	259	4583	216
	(iii) HT Agriculture	63	65	2	66	1	65	-1
	(iv) HT Domestic	125	131	6	138	7	146	8
	(iv) HT-EV charging	0	3	3	4	1	7	3
	HT total	6808	7194	386	7615	421	7910	295
III	EHT category							
	EHT Industries	34	34	0	32	-2	32	0
	EHT Total	55	56	1	56	0	56	0
IV	Small licensees	11	11	0	11	0	11	0
V	Total sale by KSEBL	13422395	13648678	226283	13864145	215467	14071590	207445

4.4 Comparison of the category wise details of the connected load of various categories of consumers is given as Annexure 4.4. Its summary is given below.

Table 4.4
Comparison of the connected load/contract demand (MW/ MVA)

	Category	2021-22	2022-23			2023-24			2024-25		
		(MW)/ MVA	(MW)/ MVA	Increase over previous Year	(%) of increase	(MW)/ MVA	Increase over previous Year	(%) of increase	(MW)/ MVA	Increase over previous Year	(%) of increase
I	LT Category										
	(i) Domestic	19849.09	20942.79	1093.70	5.51%	22121.83	1179.04	5.6%	23328.00	1206.17	5.45%
	(ii) Industry [IV(A) & (B)]	1871.36	1914.09	42.73	2.28%	1969.90	55.81	0.13	2018.91	49.01	0.08
	(iii) Agriculture [V(A) & V(B)]	1004.09	1018.02	13.93	1.39%	1038.15	20.13	0.07	1054.57	16.42	0.06
	(iv) LT-VI categories	2124.47	2248.60	124.13	5.84%	2417.45	168.85	7.5%	2561.96	144.51	5.98%
	(v) LT-VII Comm (total)	2747.63	2930.78	183.15	6.67%	3155.32	224.54	0.65	3369.60	214.28	0.86

	(vi) Public lighting	168.51	208.99	40.48	24.02%	213.42	4.43	0.06	218.02	4.60	0.05
	(vii) EV charging	5.29	16.80	11.51		24.05	7.25	0.43	32.93	8.88	0.37
	LT Total	27773.33	29282.88	1509.55	5.44%	30943.24	1660.36	1.58	32587.84	1644.60	1.76
II	HT category										
	(i) HT Industries	959.69	1014.49	54.80	5.71%	1048.68	34.19	3.4%	1059.04	10.36	0.99%
	(ii) HT -II & HT-IV comm	708.96	739.23	30.27	4.27%	812.79	73.56	10.0%	865.51	52.72	6.49%
	(iii) HT Agriculture	14.12	14.42	0.30	2.12%	15.14	0.72	5.0%	14.55	-0.59	-3.90%
	(iv) HT Domestic	12.19	12.53	0.34	2.79%	13.23	0.70	5.6%	14.27	1.04	7.86%
	(iv) HT-EV charging	0.00	1.29	1.29		2.07	0.79	61.1%	3.35	1.28	61.84%
	HT total	1694.96	1781.96	87.00	5.13%	1893.54	111.59	6.3%	1956.72	64.30	3.40%
III	EHT category										
	EHT Industries	215.05	219.7	4.65	2.16%	241.1	21.40	9.7%	240.7	-0.4	-0.17%
	EHT Total	434.7	440.0	5.31	1.22%	485.1	45.04	10.2%	492.5	7.4	1.54%
IV	Small licensees	109.2	114.3	5.05	4.62%	121	7.18	6.3%	159.84	45.85	37.76%
V	Total sale by KSEBL	30012.21	31619.11	1606.90	5.35%	33443.27	1824.17	5.8%	35198.02	1762.20	5.27%

4.5 With the available details, the commission has also appraised the consumption per consumer and consumption per connected load/ contract demand for the years 2022-23 to 2024-25.

(i) The details of the consumption/sale per consumer of the LT categories is given below.

Table- 4.5
Consumption per consumer per months (Units/ month)

Category	2022-23	2023-24		2024-25	
	kWh/ consumer/ Month (avg)	kWh/ consumer/ Month (avg)	Percentage of increase (%)	kWh/ consumer/ Month (avg)	Percentage of increase (%)
LT- Domestic	99.4	109.0	9.7%	108.9	-0.1%
LT- Commercial	110.6	126.0	13.9%	132.3	4.9%
LT overall	113.0	124.0	9.7%	124.3	0.3%

(ii) The details of the consumption/sale per connected load of the LT categories is given below.

Table- 4.6
Consumption per connected load per month (LT category) (Units/ kW/month)

Category	2022-23	2023-24		2024-25	
	kWh/ kW/ Month (avg)	kWh/ kW/ Month (avg)	Percentage of increase (%)	kWh/ kW/ Month (avg)	Percentage of increase (%)
LT-Domestic	49.0	52.0	6.1%	49.6	-4.7%
Commercial	63.4	69.3	9.3%	70.2	1.3%
LT overall	53.0	55.0	3.8%	53.7	-2.4%

(iii) The details of the consumption/sale per KVA per month of the HT&EHT categories is given below.

Table 4.7
Consumption per contract demand of the HT&EHT categories (Units/kVA/month)

Category	2022-23	2023-24		2024-25	
	kWh/ kVA/ Month (avg)	kWh/ kVA/ Month (avg)	Percentage of increase (%)	kWh/ kVA/ Month (avg)	Percentage of increase (%)
HT	199	202	1.4%	204.5	1.2%
EHT	311	313	0.6%	281.6	-10.0%

4.6 As discussed in the previous paragraphs, Commission has noticed that, though there is unprecedented growth in electricity demand by 10.80% in the previous year 2023-24, the growth in electricity demand in 2024-25 was only 1.97% compared to the previous year 2023-24. However, KSEBL could not submit detailed justification of the reduction in growth rate of energy sale in the Year 2024-25.

In this matter, on a preliminary appraisal, the following points are noticed.

(1) Domestic category

- Domestic category contribute more than 50% of the total electricity consumption of the State. This category consumes electricity mainly during peak hours and night off-peak hours.

- Increase in energy sale to the domestic category is 1.01% only during the year 2024-25, as against the 10.90% in the year 2023-24.

- Average energy sale to domestic category during the year 2024-25 was 108.9 units per month as against 109 units in 2023-24, however the same in the year 2022-23 was 99.4 unit only.

- It is further noted that, monthly sales per kW in the year 2024-25 was 49.6 units as against 52 units in the year 2023-24.

- **Though the number of domestic consumers has increased by 1.24 lakh and over all connected load of the domestic category was increased by 1206MW during the year 2024-25 compared to the previous year, the overall increase in energy sale as well as the average monthly sale, sale per consumer and sale per connected loads shows a decreasing trend.**

- This reduction in sale to the domestic categories is likely due to the widespread installation of roof top solar systems under 'net metering facility'. As part of promotion of electricity consumption of domestic categories during day time, Commission has introduced ToD tariff for all domestic consumers having monthly consumption above 250 units, and also the tariff during day time has reduced by 10% over normal tariff.

- There may be various reasons for the reduction in electricity sale to domestic category including 'roof top solar' penetration etc.

  However, the reasons for the same can be appraised only with the comparison of the actual electricity consumption pattern of domestic category during day time zone, peak time zone and off-peak time zone during the last few years, atleast from 2020-21 to 2024-25. Though the Commission has been repeatedly directing KSEBL to furnish these details, the licensee has failed to compile and provide these details.

- Commission hereby direct KSEBL to appraise the **month-wise, and time zone wise electricity consumption** (day time zone, peak time zone, night off-peak time zone of domestic category during the last five years from 2020-21 to 2024-25.

  Further, 'month wise electricity imported by prosumers during day time, peak time zone and night off-peak time zone, and also the electricity exported to the grid during day time during the years from 2020-21 to 2024-25 also shall be submitted to the Commission without laxity and delay.

  With the above data only, Commission can appraise the reasons for the decreasing trend of electricity sales, and to also to examine in which time zone the decreasing trend persists excessively.

(2) LT Commercial categories

LT commercial categories contributes about 10% of the overall electricity consumption of the State. Further, LT Commercial categories has an increase of 7.40% in the year 2024-25 as against 17% in the year 2023-24.

Further, monthly consumption per consumer of the Commercial categories is 133 units as against 126 units in the year 2023-24. Monthly consumption/ kW of the commercial categories for the Year 2024-25 is 70.20 units as against 69.3 units in the Year 2023-24.

(3) HT categories

HT categories contributes 17% of the overall electricity consumption of the State. Out of it 54% of the HT consumption is contributed by industrial categories.

Average monthly consumption of HT categories is 204.5 unit per kVA per month.

Overall increase in electricity consumption of this category during the Year 2024-25 is 4.86% as against the increase of 7.70% during the year 2023-24.

(4) EHT categories

EHT categories consume about 6% of the total electricity consumption of the State. Out of it, industrial categories contribute 65% of the electricity consumption of EHT categories.

Average monthly consumption of EHT industrial categories was 445units per kVA during the year 2023-24 with a load factor of 62%. However, the average monthly sale to this category was drastically reduced to 375 units per kVA during 2024-25 with the load factor of 52% only.

Since the EHT industries are generally operating their plants continuously 24x7 basis. Hence, for a stable power system, continuously operating industries are advantageous compared to domestic and other similar categories whose electricity consumption is limited to few hours in a day.

Considering the importance of promoting electricity consumption of the EHT industries, Commission vide the letter dated 11.12.2025 has directed KSEBL submit the reasons for reduction in consumption by EHT Industries. Commission has also directed KSEBL to propose the steps to be taken to promote electricity consumption of such consumers.

In reply, KSEBL vide the letter dated 02.02.2026 submitted that, the reduction in energy sale to EHT consumers is due to the increase in energy availed through open access.

But KSEBL failed to appraise why these consumers opt for open access instead of grid power. Whether it is due to lack of quality of supply or high tariff prevailing in the State. However, KSEBL has not appraised the reasons for the same. KSEBL has to appraise the month wise, time zone wise details of the open access transaction by the EHT industries during the Year 2024-25 for arriving at the reasons for reduction in energy sale to these categories.

It is a fact that, the market price of electricity during day time, especially solar hours is much less than the prevailing tariff in the state, and this may reflect in the quantum of electricity transacted through power exchanges as well. Considering these aspects, Commission vide the Order dated 05.12.2024 has approved 10% reduction in electricity price during day time for LT Industrial consumers and domestic consumers with monthly consumption above 250 units. It is also a fact that, KSEBL has been surrendering large quantum of power from long term contracts including CGS and IPPs from sources outside the State. Details are given as Table 5.6 and 5.7 of this Order.

If the reduction of day time tariff offered to LT industries is extended to EHT industries also, the open access transaction availed by them

during day time can be reduced/ limited to a greater extent and the benefit of surplus power during the day time can be extended to the consumers of the state. However, with a detailed appraisal on the month wise and zone wise details of the energy transaction of these consumers only, Commission can take an appropriate decision on this matter.

Hence, Commission hereby direct KSEBL to submit the month wise and time zone wise details of the energy transaction of all HT and EHT consumers, within two months from date of this order, with recommendations to enhance the energy transaction from the grid during day time by these categories.

4.7 Commission has been repeatedly directing KSEBL to carryout a detailed study on the consumption behaviour of the electricity consumers of the State including their consumption pattern etc, based on the following details of each categories of consumers;

- historical data including number of consumers, connected load and monthly electricity consumption, at least for a period upto 10 years.
- Change in trend of each categories of consumers including the yearly increase in service connection, increase in connected load/ contract demand, energy sales,
- Time zone wise consumption pattern of the consumers

While projecting the electricity demand for the future, KSEBL shall also consider the various policies of the State Government including industrial policy, IT policy, initiatives of the State Government for starting new entrepreneurship, policies on EV charging stations etc. Mere academic exercises will not serve the purpose of KSEBL, since each decision of the utility including generation/power purchase, creating transmission and distribution infrastructure involve huge investment and financial consequences, and may result in increase in cost of supply and electricity tariff. **Hence, the Commission hereby directs KSEBL to carry out a detailed study on the electricity demand of the State, and prepare and submit a report on the electricity consumption of the State with a long term period of 10 to 15 years, within three months from the date of this Order.**

4.8 In addition to the electricity purchase from KSEB Ltd, many consumers purchase electricity by availing open access from other sources. Further, there is large number of installations of roof top solar system by prosumers for their own consumption. In addition to the above, many number of captive power plants also installed by consumers for meeting their own consumption. Details are given below.

Table 4.8
Details of the power availed through open access from outside the State

Category	Open access import (at consumer end) (MU)
HT categories	
HT-1 A	0.44
HT-II (B)	13.83
HT-IV (B)	23.21
Sub total HT	37.48
EHT categories	
EHT 66 kV Industry	106
EHT 110kV Industry	236.79
EHT- 220kV Industry	51.85
Sub total EHT	394.64
Grand total	432.12

4.9 As detailed in the Table above, the embedded open access consumers had availed 432.12 MU by availing open access in the Year 2024-25 at Kerala periphery and the net energy drawn at KSEBL periphery is 453.64MU.

In addition to the above, one IPP, M/s Philips Carbon Black Ltd had injected 73.97 MU at generator periphery to export 72.72 MU at Kerala periphery. The details are given below.

Table 4.9
Energy transaction by availing open access

Particulars	Type	Energy at Kerala Periphery	Energy at injection/ drawal point
		(MU)	(MU)
Consumers availing open access	Import from outside the State	453.64	432.12
IPP availing open access	Export to outside the State	72.72	73.97

4.10 In addition to the above, prosumers and captive consumers has been utilizing the grid for banking and adjusting the electricity so banked against their electricity consumption during Non-solar hours as well as when sufficient generation is not available from the RE plants installed by them. Details are given below.

Table 4.10
Details of generation and consumption by prosumers and captive consumers

Source	Tariff category	Installed capacity	Generation at exbus	Consumption against captive generation at source (before export)	Export to the grid	Consumption adjustment against export to the grid by availing net metering facility	Consumption met from Captive plant	Settlement against APPC	Losses adjustments etc
		(MW)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
		(1)	(2)	(3)	(4)	(5)	(6)=(3)+(5)	(7)	(8)=(2)-(6)-(7)
Maniar SHP (Carbourandum Industries)	EHT	12.00	28.59	0.00	28.59	25.11	25.11		3.48
Kuthumkal SHP (Indsil Industries)	EHT	21.00	50.38	0.00	50.38	44.20	44.20		6.18
CIAL Solar	EHT	39.44	40.10	19.07	21.03	17.87	36.94		3.16
KMRL Solar	EHT	10.60	12.82	9.12	3.70	3.47	12.59		0.23
HINDALCO Solar	EHT	5.00	7.31	4.30	3.02	2.65	6.95		0.36
EHT total		88.04	139.20	32.49	106.72	93.30	125.79		13.41
Bharat Hospital	HT-II (B)	1.10	0.92	0.00	0.92	0.81	0.81		0.11
Moulana Hospital	HT-II (B)	2.70	4.22	0.00	4.22	3.56	3.56		0.66
Solar Prayrelal	HT-! (A)	1.00	0.98	0.00	0.98	0.84	0.84		0.14
HT-Solar subtotal		4.80	6.12	0.00	6.12	5.21	5.21		0.91
Wind-Manorama	HT	10.00	22.16	0.00	22.16	19.23	19.23		2.93
Wind - Greenland	HT-1(A)	0.25	0.38	0.00	0.38	0.31	0.31		0.07
Wind -KK plastic	HT-1(A)	0.25	0.33	0.00	0.33	0.27	0.27		0.06
Wind- KIK Platic	HT-1(A)	0.25	0.32	0.00	0.32	0.28	0.28		0.04
Wind Malayokam	HT-1(A)	0.25	0.31	0.00	0.31	0.27	0.27		0.04
Wind sub total		11.00	23.50	0.00	23.50	20.36	20.36		3.14
Other Solar grid connected prosumers	HT&EHT	108.30	114.94	96.95	17.99	14.22	111.17	0.89	2.88
Solar prosumers LT	LT	1100.88	1075.81	259.40	816.41	592.13	851.53	216.41	7.87
Solar off-grid prosumers	LT	1.09	2.80	2.80			2.80		
Total		1314.11	1362.37	391.64	970.74	725.22	1116.86	217.30	28.21

4.11 As detailed above, as on 31.03.2025, total installed capacity of RE by the prosumers and captive consumers is 1314.11 MW, out of it 33MW is from SHPs, 11MW from wind and balance 1270.11 MW from Solar plants.

Further, 88.04 MW installed by EHT consumers, 124.10MW by HT consumers and balance 1101.97MW by prosumers availing supply at LT level.

Total energy generated from the prosumers and captive consumers is 1362.37 MU, out of it 970.74 MU (71.25%) is exported to the grid for use in the non - solar hours. Further, out of the energy exported to the grid, 725.22 MU (74.70%) is allowed to adjusted against the energy consumed by them during 'non-solar hours by availing net metering facility.

It is further noticed that, the EHT and HT consumers has adjusted almost the entire energy exported to the grid during solar hours against the electricity consumption during 'non-solar hours'.

However, LT prosumers have substantial surplus quantity of 216.41MU at the financial year end after adjusting the banked energy against the consumption during Non solar hours. This surplus banked energy at the year end has to be settled at APPC rate.

4.12 KSEB Ltd further submitted that, NTPC Ltd has availed 6.07MU for meeting the auxiliary consumption at RGCCPP, Kayamkulam during the Year 2024-25..

4.13 Thus, the total electricity consumption within the State through grid system is 29311.75 MU during the year 2024-25. The details are given below.

Table 4.11
Electricity consumption within the State for the Year 2024-25

Sl No	Particulars	Quantum (MU)
1	Energy sale by KSEB Ltd	28148.34
2	Adjustment of energy consumption against Solar & other RE generation by prosumers and Captive generation	725.22
3	Open access consumption at consumer end	432.12
	Sub Total	29305.68
4	Auxiliary consumption of RGCCPP, Kayamkulam	6.07
5	Grand Total	29311.75
6	Consumption against captive generation at Source	391.64
7	Total electricity demand met by the State	29703.39

4.14 In addition to the energy sale within the State, during the year 2024-25, KSEB Ltd could sell 395.70 MU outside the State.

4.15 The segregation of the energy sales to different categories of consumers for the year 2024-25 is given below.

Table 4.12
Energy Sales pattern for 2024-25

Sl. No	Category	Energy sales	
		(MU)	(%) of total
I	LT Category		
	(i) Domestic	13875.80	49.3%
	(ii) Industry [IV(A) & (IV(B)]	1319.45	4.7%
	(iii) Agriculture [V(A) & V(B)]	426.10	1.5%
	(iv) LT-VI categories	2128.42	7.6%
	(v) LT-VII Commercial categories	2839.03	10.1%
	(vi) Public lighting	378.25	1.3%
	(vii) EV charging stations	14.50	0.1%
	LT Total	**20984.31**	74.5%
	HT category		
II	(i) HT Industries	2604.35	9.3%

	(ii) HT -II & HT-IV commercial	2162.93	7.7%
	(iii) HT total	4804.50	17.1%
III	EHT category		
	EHT Industries	1082.44	3.8%
	EHT Total	**1664.51**	5.9%
IV	**Bulk licensees**	**695.05**	2.5%
V	Grand Total	28148.37	100.0%

4.16 Commission has examined in detail the energy sale of KSEB Ltd to different categories of consumers during the year 2024-25 as detailed above. The total direct sale by KSEBL during the year 2024-25 was 28148.34 MU. The total energy consumption within the State including open access consumption by embedded open access consumers, and also the energy generation and consumed by prosumers and CPPs are 29311.75 MU.

4.17 The observation and comments on the energy consumption of different categories of consumers during the Year 2024-25 is given in paragraphs 4.5 to 4.15 of this Order.

4.18 The direction of the Commission to study and apprise the energy demand of the State in a long term horizon of 10 to 15 years is given as 1st proviso to paragraph 4.7 of this Order. As directed by the Commission, KSEBL shall submit a detailed report on the subject matter within three months from the date of this Order.

With the above observation, Commission, after examining the energy sale details submitted by KSEB Ltd, hereby approves the energy sale of 28148.37 MU for the year 2024- 25.

Transmission and Distribution Loss (T&D Loss) for the year 2024-25

4.19 KSEBL in the Truing up petition has submitted that the Commission vide the Order on ARR&ERC dated 25.06.2022 had approved the T&D loss target for FY 2024- 25 as 10.42%. The targets approved for transmission loss, distribution loss and AT& C loss was 3.20%, 7.46%, and 11.32% respectively with a collection efficiency target of 99.0%.

KSEB Ltd further submitted that the actual T&D loss during the year 2024-25 was 9.27% as against the target of 10.42%. The actual transmission and distribution loss for the year 2023-24 was 2.86% and 6.60% respectively. The AT&C loss for the year 2024-25 was 6.60%, with the collection efficiency of 100%. The details of the T&D loss claimed by KSEB Ltd is given as Annexure-4.5 to this Order.

Distribution loss

4.20 KSEB Ltd further submitted that, actual T&D loss for the Year 2024-25 was 9.27%. Further, as detailed in Chapter-3 of this Order, the transmission losses in the system upto 66kV level was 924.10 MU out of the total energy handled by the system. After segregating the transmission losses, KSEB Ltd assessed

the distribution loss in the KSEB Ltd's distribution system for the year 2024-25 at 6.60%. The details are given below.

Table 4.13
Distribution loss claimed by KSEB Ltd for the year 2024-25

Sl No	Particulars	Quantum	Unit
(i)	Total Generation and Power Purchase at Kerala periphery (item Axv of table D8)	32,306.15	MU
(ii)	Transmission loss	924.1	MU
(iii)	Total energy input into the distribution system (i)-(ii)	31,382.05	MU
(iv)	Total energy output (item B.v of Table D8)	29,311.76	MU
(v)	Distribution loss (iii)-(iv)	2,070.29	MU
(vi)	Distribution loss in % (v)*100/(iii)	6.60	%

4.21 The collection efficiency reported by KSEB Ltd during the year 2024-25 is 100% and the AT&C loss for the year 2024-25 as per CEA methodology was 6.60%.

4.22 KSEBL further submitted that, during the year 2024-25, KSEBL could achieve the loss reduction of 1.15% above the target of 10.42% approved vide the MYT Order dated 25.06.2022. Further, KSEBL could reduce the T&D loss from 9.70% in the year 2023-24 to 9.27% in the year 2024-25, i.e, a reduction of 0.43% from the achievement in the year 2024-25.

4.23 KSEBL further claimed that, as KSEBL achieved a loss reduction of 1.15% above the target of 10.42%, KSEBL could reduce the power purchase by 390.874 MU during the year 2024-25. With the average power purchase cost of Rs 5.06/unit for the year 2024-25, KSEBL was able to save the power purchase by Rs 197.78 Cr by achieving better T&D loss level over the target approved by the Commission for the Year 2024-25.

4.24 KSEB Ltd further submitted that, as per Regulation 14(1) of Tariff Regulations, 2021, the aggregate gain on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such gain shall be passed on to consumers as a rebate in tariffs.
(b) The remaining two third of the amount of such gain may be utilised atthe discretion of licensee.

KSEB Ltd requested before the Commission to approve to retain with KSEBL 2/3rd of the savings in cost of power purchase amounting to Rs.131.854 Cr and balance 1/3rd is proposed to pass on to the consumers. The details are given below.

Table 4.14
KSEB Ltd claim on savings in cost of power purchase due to over achievement of T&D Loss reduction target

Sl No	Particulars	Quantum	Unit
1	Energy supplied by KSEBL	28879.64	MU
2	Energy input needed at 10.42 % loss	32238.94	MU
3	Energy input needed for 2024-25	31848.06	MU
4	Energy savings	390.87	MU
5	Weighted average power purchase cost	5.06	Rs/kWh
6	Power Purchase cost saved due to over achievement of loss	197.78	Cr.
7	2/3 of savings	131.85	Cr.

Provisions in the Regulations

4.25 Regulation 73 of the Tariff Regulations, 2021 deals with 'distribution loss', which is extracted below for ready reference.

"73. Distribution Losses.-

(1) The distribution business/ licensee shall,-

(i) carry out appropriate studies for the estimation of distribution losses, in order to set a realistic base line of the estimates of losses at different voltagelevels and to segregate commercial and technical losses in the system;
(ii) file separate details of actual and anticipated losses at different voltages, while computing its total energy requirement;
(iii) file along with the petition for approval of Aggregate Revenue Requirement for the Control Period, the information on actual total distribution losses andvoltage-wise distribution losses in the preceding five financial years and theestimates for each year of the Control Period and the basis on which such losses have been worked out;
(iv) propose the loss reduction targets for each financial year of the Control Period, along with absolute loss levels;
(v) Substantiate the proposed loss levels with necessary data from studies andtheir results.

(2) The Commission may after due consideration approve the target of distribution loss reduction for each financial year of the Control Period considering the opening loss levels, filings of the distribution business/ licensee, investments made by the licensees which have a bearing on the distribution losses, submissions and objections raised by the stakeholders and the findings of the Commission.

Provided that the Commission may while truing up of accounts, if it considers appropriate consider the distribution loss reduction targets for each year of the Control Period in a range of (+)/(-) 10% of the absolute loss reductiontarget set for any of the years of the Control Period.

Provided further that such reset targets shall not qualify for any reward/ penalty while truing up of accounts.

(3) 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:-

(i) 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;

(ii) If the actual distribution loss is lower than the approved level of distributionloss 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 therespective financial year, shall be shared between the distribution business/licensee and its consumers in the ratio of 2:1;

(iii) Export of power to other states, if any, and the revenue thereof shall be considered by the Commission appropriately, while determining the disallowance on account of excess distribution loss.

Analysis and decision of the Commission

4.26 The Commission carefully examined the T&D loss reduction claimed by KSEBL. The actual T&D loss level assessed by the Commission based on the Truing Up petition for the year 2024-25 is 9.33% as against 9.27% claimed by KSEBL.

The details are given as Annexure 4.6 of this Order.

4.27 Regarding the reduction target proposed for the MYT period from 2022-23 to 2026-27, the Commission has noted the following;

(1) While fixing the T&D loss target for the MYT period from 2022-23 to 2026-27, the actual T&D loss reduction of the year 2021-22, i.e., last year of the previous MYT period was not available to the Commission. Further, due to the restriction on economic activities leading to significant variation in energy consumption due to the Covid-19 pandemic, the actual T&D loss at normal level of consumption in the previous control period from 2018-19 to 2020-21 was also not reliably available.

Though with the consent of the Commission, KSEB Ltd has made huge investment in SBU-T of about Rs.4688 crore and Rs.4475.00 crore in SBU-D for system strengthening and loss reduction, however its impact also not reported in the MYT petition for the period 2022-23 to 2026-27.

(2) Considering these limitations, the Commission has approved the annual loss reduction target by extending the loss reduction target approved by the Commission vide the Order dated 08.07.2019 of the previous MYT period.

(3) Accordingly, the annual loss reduction target approved by the Commission for the MYT period from 2022-23 to 2026-27 is given below.

Table 4.15
Annual loss reduction target approved for the MYT period from 2022-23 to 2026-27

Year	KSEB Ltd proposal in the Petition			KSERC Approval		
	T&D loss (actual)	KSEB Target for projection	Remarks/ target	Target level of T&D loss	Annual target for loss reduction	Remarks
	(%)	(%)		(%)	(%)	
2018-19	12.47%			12.82%		Target for previous MYT
2019-20	12.08%			12.42%	0.40%	
2020-21	10.32%	11.88%	Due to Covid-19, energy sales & Peak demand was much less. Hence the actual loss reduction is not realistic	12.02%	0.40%	
2021-22		11.68%		11.62%	0.40%	
2022-23		11.28%	0.4% target	11.22%	0.40%	Target for current MYT
2023-24		10.88%		10.82%	0.40%	
2024-25		10.48%		10.42%	0.40%	
2025-26		10.28%	0.2% target	10.02%	0.40%	
2026-27		10.08%		9.62%	0.40%	

As detailed above, the annual loss reduction target approved by the Commission for the MYT Period is 0.40% over the previous years.

4.28 The Commission vide the Order dated 30.06.2025 in Petition OP No. 49/2024 had approved the Truing Up of accounts for the year 2023-24 and the actual T&D loss for the Year 2023-24 was 9.76%. Thus as per the loss reduction target approved by the Commission, KSEBL is required to reduce the T&D loss level to (9.76%-0.40%) 9.36% during the Year 2024-25.

Thus, KSEBL could reduce the T&D loss by 0.43% over last year as against 0.40% target approved by the Commission for the Year 2024-25, i.e., actual achievement was 0.03% higher than the target approved by the Commission. The net saving in energy input/ power purchase on account of the better T&D loss figure about 10.4 MU only.

Since the net savings on cost of power purchase is only marginal, Commission decided not to approve any incentives for the excess loss reduction of 0.03% over the target approved by the Commission.

CHAPTER -5

TRUING UP OF ACCOUNTS OF SBU-D of KSEB Ltd

5.1 KSEB Ltd (KSEBL) is the incumbent distribution licensee in the State of Kerala and the successor entity to erstwhile KSEB.

KSEBL is fully owned by the State Government and also implementing various policies and directives of Central Government and State Government in the State of Kerala. As on 31.03.2025, KSEB Ltd has been supplying electricity to about 141 lakh consumers in the State. The key statistics of the distribution network of KSEB Ltd as on 31.03.2025 is given as Annexure-5.1.

5.2 KSEB Ltd further submitted that, the licensee could ensure 100% availability of electricity in the State during the year 2024-25. There was no power cut or load shedding in the State even during extreme summer months, except for emergency supply interruptions caused by uncontrollable factors. The gross availability of electricity supply for the year 2024-25 as per Tariff Regulations 2021 was 100%.

Energy sales

5.3 The details of the energy sales and T&D loss in the year 2024-25 is discussed in detail in Chapter-4 of this Order. The total energy sale by KSEB Ltd to its consumers is 28148.37 MU, which is about 4.65% higher than the sale approved by the Commission in the MYT order dated 25.06.2022 for the Year 2024-25.

Aggregate Revenue Requirement

5.4 Summary of the Aggregate Revenue Requirement, Revenue from Tariff and the Revenue gap of SBU-D as per the petition filed by KSEB Ltd for the year 2024-25 is given in the Table below.

Table 5.1
KSEB Ltd claim- ARR, ERC and Revenue gap of SBU-D for the year 2024-25 (Rs. Cr)

Particulars	MYT Order dated 25.06.2022	Truing Up claim	Difference over approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Cost of Generation (SBU-G)	734.63	714.05	-20.58
Cost of Power Purchase incl RLDC charges	10716.26	12930.60	2214.34
Cost of Intra-State Transmission (SBU-T)	1706.12	1654.89	-51.23
Interest & Finance Charges	1499.43	1881.33	381.90
Additional contribution to Master Trust	333.42	333.42	0.00
Depreciation	328.04	342.75	14.71
Normative O&M Expenses	3830.59	4013.29	182.70
Return on equity (14%)	253.50	253.50	0.00
Other Expenses		40.49	40.49
Exceptional Items	0.00	18.24	18.24

Sharing of gains on account of higher T&D loss reduction	0.00	131.85	131.85
Recovery of past gap	850.00		-850.00
Amortisation of intangible assets	0.00	10.58	10.58
Repayment of Bonds	339.42	339.42	0.00
Registration charges for solar refunded	0.00	24.18	24.18
Refund of liquidated damages	0.00	16.30	16.30
Total ARR	20591.41	22704.89	2113.48
Tariff Income incl fuel surcharge	16642.10	20565.20	3923.10
Less Power factor incentive	30.91	55.97	25.06
Revenue from external sale	118.59	296.71	178.12
Non-Tariff Income	841.33	845.16	3.83
Total ERC	17571.11	21651.10	4079.99
Net Revenue Gap (-)/ Surplus (+)	-3020.30	-1053.79	1966.51

5.5 The Commission has examined in detail, the various expenses as claimed by KSEB Ltd in the petition for the Truing up of accounts for the year 2024-25. The analysis and decision of the Commission on various expense components for the year 2024-25 is discussed in the subsequent paragraphs.

Cost of Internal Generation (Transfer cost of SBU-G)

5.6 Cost of generation claimed by KSEB Ltd in the truing up petition is the transfer cost of SBU-G of KSEB Ltd, which includes the cost of internal hydel generation and its two LSHS stations BDPP and KDPP. The transfer cost of SBU-G is discussed in detail under Chapter-2 of this order. As against the claim of Rs.714.05 Cr, the Commission has approved Rs.461.64 Cr as transfer cost of SBU-G of KSEB Ltd for the year 2024-25.

5.7 The summary of the internal generation and transfer cost of SBU-G approved for the year 2024-25 is given below.

Table 5.2
Summary of the internal generation and transfer cost of SBU-G approved forthe year 2024-25

Source	Gross Generation	Aux consumption	Net Generation	Transfer cost of SBU-G approved
	(MU)	(MU)	(MU)	(Rs. Cr)
Hydro	7343.81	93.68	7250.13	461.64
BDPP	0.00	0.00	0.00	
KDPP	1.54	0.04	1.50	
Wind	1.04	0.00	1.04	
Solar	49.64	0.00	49.64	
Subtotal	7396.03	93.72	7302.31	

As above, the net transfer cost of SBU-G approved to transfer to SBU-D of KSEB Ltd for the year 2024-25 is Rs.461.64 Cr.

Cost of Intra State Transmission (Transfer Cost of SBU-T)

5.8 Cost of Intra State Transmission is the transfer cost of SBU-T to SBU-D. Commission has appraised in detail the transfer cost of SBU-T in Chapter 3 and approved the transfer cost of intra-state transmission at Rs.1571.49 Cr as against the claim of Rs.1654.89 Cr for the year 2024-25.

Purchase of Power

5.9 KSEB Ltd, in the petition has submitted that, the Commission vide the ARR&ERC dated 25.06.2022 had approved the purchase of 22883.64 MU at a total cost of Rs. 10716.26 Cr for the year 2024-25. As against the approval, the actual power purchase was 25554.51 MU at the total cost of Rs.12930.60 Cr. The details of the power purchase along with the reasons for the variations over approval are detailed in the subsequent paragraphs.

5.10 The summary of the power purchase cost claimed by KSEB Ltd from different sources is given below.

Table 5.3
Summary of the power purchase for the year 2024-25

No	Particulars	Approved		Actual		Truing up		Variation	
		Energy (MU)*	Cost (Rs Cr)	Energy (MU)*	Cost (Rs Cr)	Energy (MU)*	Cost (Rs Cr)	Energy (MU)*	Cost (Rs Cr)
1	Central Gen. Stations	11190.36	4968.50	11565.80	5312.53	11565.80	5312.53	375.44	344.03
2	Maithon and DVC contracts	3016.35	1517.32	3033.93	1401.26	3033.93	1401.26	17.58	-116.06
3	DBFOO approved contracts	2169.87	969.37	2323.25	835.38	2323.25	835.38	153.38	-133.99
4	Addl power purchase in lieu of unapproved DBFOO contracts**	3363.29	1399.13	0.00	0.00	0.00	0.00	-3363.29	-1399.13
5	Medium Term Contracts	484.04	162.15	450.16	181.71	450.16	181.71	-33.88	19.56
6	RE purchase	2144.97	638.67	1936.58	542.44	1936.58	542.44	-208.39	-96.23
7	*Short Termpower purchase*	*514.76*	*205.90*	*1893.33*	*1235.90*	1893.33	1235.90	1378.57	1030.00
8	RGCCPP, Kayamkulam (net)	*0.00*	*91.67*	*0.00*	*122.37*	0.00	94.42	0.00	2.75
9	Exchanges			*2918.34*	*1880.17*	2918.34	1880.17	2918.34	1880.17
10	*DSM/Swap*	*0.00*	*0.00*	*1215.91*	*148.10*	1215.91	148.10	1215.91	148.10
11	Prosumer settled energy***	0.00	0.00	217.30	38.21	217.30	38.21	217.30	38.21
12	Transmission charges	0.00	760.55	0.00	1259.48	0.00	1259.48	0.00	498.93
13	NLDC charges	0.00	3.00	0.00	0.00	0.00	0.00	0.00	-3.00
14	Charges associated with sale	0.00	0.00	0.00	1.00	0.00	1.00	0.00	1.00
15	Provisions for energy availed through banking transactions from outside the State which was not returned during FY 2024 -25	0.00	0.00	0.00	-208.90	0.00	0.00	0.00	0.00
16	Total	22883.64	10716.26	25554.51	12749.65	25554.51	12930.60	2670.96	2214.34
17	Avg. Pwer purchase cost vide MYT order dated 25.06.2022 (Rs/unit)	4.68							
18	Average power purchase cost as per accounts (Rs/unit)	4.99							
19	True up claim(Rs/unit)	5.06							
	* Energy at KSEB Bus								
	** Approved to purchase through Medium Term contracts								
	***Surplus banked energy of prosumers settled during the year 2024-25								

5.11 As per the details submitted by KSEBL, the licensee during the year 2024-25 had purchased power from the following sources such as;

A. Central Generating Stations,
B. Wind, solar, small hydro and other IPPs within the State,
C. Power Purchase from Thermal IPPs- Maithon and DVC contracts
D. Power purchase from approved DBFOO contracts
E. Power purchase from Medium term contracts
F. Power purchase under short term contracts including Traders, Exchanges etc.
G. Power availed through banking arrangements,

Before going into the details of the power purchase, the Commission has examined the provisions in the Tariff Regulations, 2021 regarding the power purchase and related aspects.

Provisions in the Regulations

5.12 Regulations 77 and 78 of the Tariff Regulations, 2021 deals with power purchase and related issues. Based on the above provisions of the Tariff Regulations, 2021, the Commission has carefully examined the purchase of power from each source in detail. The Commission's analysis, findings, results and recommendations are given in the subsequent paragraphs.

Approval of the quantum and cost of power purchase from different sources for the Year 2024-25

I. <u>Purchase of power from Central Generating Stations (CGS)</u>

5.13 The total power purchase from the CGS for 2024-25 is 11986.40 MU (ex-bus) and the cost of this power purchase as per the accounts is Rs. 5312.53 Cr. The details of the power purchase from CGS is given below.

Table – 5.4
Power Purchase from Central Generating Stations for the year 2024-25

Sl No	Station	Approved		Audited accounts		True up requirement		Variation	
		Energy* (MU)	Cost (Rs Cr)	Energy* (MU)	Cost (Rs Cr)	Energy* (MU)	Cost (Rs Cr)	Energy* (MU)	Cost (Rs Cr)
1	RSTPS I & II	1696.81	692.81	1649.38	788.13	1649.38	788.13	-47.43	95.32
2	RSTPS III	425.93	173.20	412.61	195.88	412.61	195.88	-13.32	22.68
3	Talcher Stage-II	2980.96	1027.31	3038.20	763.78	3038.20	763.78	57.24	-263.53
4	Simhadri TPS Stg II	600.03	290.81	583.44	303.63	583.44	303.63	-16.59	12.82
5	NLC Stage-I	422.33	184.41	255.10	112.55	255.10	112.55	-167.23	-71.86
6	NLC Stage-II	603.17	264.82	382.85	165.76	382.85	165.76	-220.32	-99.06
7	NLC 1 Expansion	464.13	194.26	413.81	159.91	413.81	159.91	-50.32	-34.35
8	NLC II Expansion	511.51	279.12	132.62	75.18	132.62	75.18	-378.89	-203.94
9	MAPS	122.72	32.84	68.58	18.11	68.58	18.11	-54.14	-14.73
10	KAIGA	389.17	142.51	576.86	204.38	576.86	204.38	187.69	61.87
11	Kudankulam	1507.12	654.38	1978.74	1008.08	1978.74	1008.08	471.62	353.70
12	Vallur	350.72	195.07	353.08	193.74	353.08	193.74	2.36	-1.33

13	NTPL	506.33	269.89	462.12	364.52	462.12	364.52	-44.21	94.63
14	Kudgi	780.71	450.06	677.79	453.25	677.79	453.25	-102.92	3.19
15	NNTPP	226.17	117.00	224.46	111.17	224.46	111.17	-1.71	-5.83
	Telangana STPP			169.83	92.75	169.83	92.75	169.83	92.75
16	BARH			606.95	301.71	606.95	301.71	606.95	301.71
	Total	**11587.81**	**4968.49**	**11986.40**	**5312.53**	**11986.40**	**5312.53**	**398.59**	**344.04**
	*Energy at exbus								

5.14 In addition to the CGS considered as per the MYT Order dated 25.06.2022, SRPC has allocated 3.72MW from 1st unit (800MW) of Telangana STTP stage-1 w.e.f September 2023 from the 15% unallocated quota. The indicative tariff of the electricity from the Station is Rs 3.81/unit in the first year and the levelized tariff @Rs 3.51/unit. The final tariff is yet to be approved by CERC.

The second unit of the Station (800MW) declared COD on 01.03.2024 and the allocation to Kerala has been increased to 7.44MW. This allocation has continued during 2024-25.

Further to mitigate the anticipated power shortages subsequent to the non-schedule of power from unapproved DBFOO contracts, KSEBL vide the letter dated 18.03.2024 has requested Ministry of Power (MoP), Government of India (GoI) to allocate additional power from the pool of unallocated quota of CGS. Based on the request of KSEBL, MoP, GoI vide the letter dated 26.03.2024 has allocated 180MW from unallocated quota of Telangana STPP to Kerala from 16.04.2024 to 30.05.2024.

KSEBL has scheduled 169.83 MU from Telengana STPP at a total cost of Rs 92.75 Crore.

5.15 KSEBL further submitted that, to meet the increase in electricity demand of the State, KSEBL vide the letter dated 13.08.2024 had requested MoP, GoI, for allocation of 300MW of unallocated quantum of power for the period from October-2024 to May-2025. MoP, vide the letter dated 28.09.2024 has allocated 97MW of additional power from BARH STPS-1 and 90MW from BARH STPS-II for the period from 01.10.2024 to 31.03.2025. This allocation has further extended upto June 2025.

During the Year 2024-25, KSEBL has scheduled 606.95 MU from BARH power station at the total cost of Rs 301.72 Crore.

5.16 KSEBL claimed that, they had been scheduling electricity from different sources based on the merit order of the variable cost of generation. During low demand period and period of excess hydel generation to avoid spillage, and also to accommodate injection of power from Solar prosumers, as well as for utilizing the low market rates, KSEBL has surrendered electricity from the stations having high variable cost. During the year 2024-25, KSEBL has surrendered 525.39MU from CGS. Details are given below.

Table 5.5
Details of energy schedule and surrender of CGS and IPPs during the Year 2024-25

CGS	Approved	Actual	Surrender	Total	Increase(+)/ decrease (-) in availability after accounting surrender	Surrender as (%) of total availability
	(MU)	(MU)	(MU)	(MU)	(MU)	
Kudgi	780.71	677.79	142.5	820.29	39.58	17.4%
NTPL	506.33	462.12	62.68	524.8	18.47	11.9%
RSTPS I & II	1696.81	1649.38	201.25	1850.62	153.81	10.9%
Telengana	0	169.83	13.67	183.5	183.5	7.4%
RSTPS III	425.93	412.61	31.37	443.99	18.06	7.1%
Vallur	350.72	353.08	22.28	375.36	24.64	5.9%
Simhadri TPS Stg II	600.03	583.44	32.12	615.56	15.53	5.2%
NLC 1 Expansion	464.13	413.81	6.31	420.12	-44.01	1.5%
NNTPP	226.17	224.46	1.55	226.01	-0.16	0.7%
NLC II Expansion	511.51	132.62	0.91	133.53	-377.98	0.7%
NLC Stage-II	603.17	382.85	1.22	384.07	-219.1	0.3%
NLC Stage-I	422.33	255.1	0.8	255.91	-166.42	0.3%
Talcher Stage-II	2980.96	3038.2	8.72	3046.92	65.96	0.3%
Barh		606.95		606.95	606.95	0.0%
Kudankulam	1507.12	1978.74		1978.74	471.62	0.0%
KAIGA	389.17	576.86		576.86	187.69	0.0%
MAPS	122.72	68.58		68.58	-54.14	0.0%
Total	**11587.81**	**11986.4**	**525.39**	**12511.79**	**923.98**	4.2%

The month wise details of the energy surrender from CGS and IPPs is given as **Annexure 5.2** of this Order.

5.17 Summary of the month-wise details of the energy surrender from each source is given in the Table below.

Table 5.6
Month wise details of surrender from CGS, IPPs and DEEP purchase

Month	CGS			DVC & Maithon			DEEP purchase - short term		
	Actual schedule (ex-bus)	Surrender	Surrender as (%) of total availability	Actual schedule (ex-bus)	Surrender	Surrender as (%) of total availability	Actual schedule (ex-bus)	Surrender	Surrender as (%) of total availability
	(MU)	(MU)		(MU)	(MU)		(MU)	(MU)	
Apr	1046.7	15.8	1.5%	264.9	1.9	0.72%	300.4		0.00%
May	1068.7	86.3	7.5%	254.0	15.5	5.75%	291.5	46.8	13.85%
Jun	841.1	41.9	4.7%	269.4	1.2	0.44%	13.7		0.00%
Jul	870.8	36.9	4.1%	241.6	13.8	5.42%	1.9		0.00%
Aug	974.3	42.7	4.2%	279.7	11.4	3.92%	0.0		0.00%
Sep	962.7	27.8	2.8%	272.8	6.9	2.48%	0.0		0.00%
Oct	1098.7	83.0	7.0%	271.0	6.2	2.23%	209.2	17.8	7.84%
Nov	1013.7	59.5	5.5%	249.1	6.2	2.43%	253.9	23.8	8.56%
Dec	1006.2	25.8	2.5%	176.2	3.3	1.85%	254.4	30.6	10.74%
Jan	1042.7	25.7	2.4%	234.0	2.2	0.93%	261.3	22.1	7.79%
Feb	938.7	38.5	3.9%	240.1	8.4	3.36%	116.2	12.0	9.36%
Mar	1122.2	41.4	3.6%	281.2	4.9	1.71%	190.8	17.2	8.27%
Total	11986.4	525.4	4.2%	3033.9	81.9	2.63%	1893.3	170.3	8.25%

5.18 As directed by the Commission, `KSEBL has submitted the month-wise time zone wise surrender of electricity from CGS during the year 2024-25. Details are given below.

Table 5.7
Month-wise time zone wise surrender during 2024-25

Month	Hours during the day					(%) of total surrender during day time (06:00 hrs to 18:00 hrs)
	0:00 hrs to 06:00 hrs	06:00 hrs to 18:00 hrs	18:00hrs to 22:00 hrs	22:00 hrs to 24:00 hrs	Total	
Apr-24	0.1	17.6	0.0	0.0	17.7	99%
May-24	25.6	108.7	10.4	3.9	148.7	73%
Jun-24	2.5	40.6	0.1	0.0	43.1	94%
Jul-24	5.4	45.3	0.0	0.0	50.8	89%
Aug-24	10.9	43.2	0.1	0.0	54.1	80%
Sep-24	0.4	34.3	0.0	0.0	34.7	99%
Oct-24	15.9	86.5	3.0	1.6	107.0	81%
Nov-24	11.2	72.4	4.0	2.0	89.5	81%
Dec-24	16.6	35.7	5.1	2.6	60.0	60%
Jan-25	8.8	35.7	3.7	1.8	50.0	71%
Feb-25	6.1	49.9	2.0	1.0	59.0	85%
Mar-25	9.6	49.6	2.9	1.4	63.5	78%
Total	113.0	619.4	31.2	14.4	778.0	80%

The reasons submitted by KSEB Ltd for the energy surrender is given as **Annexure 5.3** of this Order.

5.19 KSEBL submitted that, the actual energy availability from CGS including surrender are higher than the approved level by CERC except for NLC stations and Madras Atomic Powerplant (MAP). The reason for the reduction in energy availability from NLC stations and MAP is given as Annexure-5.4 of this Order. The main reason reported is due to the machine outages and issues related to mining of lignite. The reduction in energy availability from these stations is given below.

Table 5.8
Reduction in energy availability from NLC stations, MAPS due to outages and fuel related issues

CGS	Energy to be available as per norms	Reduction in energy due to outages and fuel issue	Surrender	Actual	Reduction as (%) of normative availability
	(MU)	(MU)	(MU)	(MU)	
NLC Stage-I	422.33	166.42	0.8	255.11	39.4%
NLC Stage-II	603.17	219.1	1.22	382.85	36.3%
NLC 1 Expansion	464.13	44.01	6.31	413.81	9.5%
NLC II Expansion	511.51	377.98	0.91	132.62	73.9%
MAPS	122.72	54.14	0	68.58	44.1%
NNTPP	226.17	0.16	1.55	224.46	0.1%
Total	**2350.03**	861.81	10.79	1477.43	36.7%

As detailed above, the reduction in energy availability from NLC stations is about 807.51 MU, which is in the range of 36% to 73.90% of the energy to be available as per norms.

5.20 Commission noted with concern that, in the last few years, the plant availability and schedule of power given by NLC stations are less than 50% of the normative availability specified by CERC. NLC is a Central Government owned company and the average tariff of the electricity generated from the NLC stations are less than Rs 4.00/unit at Kerala periphery, but the per unit cost of power purchase from alternate sources for meeting the shortfall from NLC stations is in the range of Rs 7.50/unit to Rs 10.00/unit.

The Commission has been repeatedly directing KSEBL to take up the issue of low plant availability of NLC stations with the Ministry of Power, GoI along with other Southern beneficiary States. KSEBL management is also member of the 'Southern Regional Power Committee' wherein representatives of the NLC and other Central Generating Stations (CGS) as well as senior officials of Central Electricity Authority (CEA) also participating. But no evidence of taking serious efforts by KSEBL or other beneficiaries on sorting out the issues of these power stations has been produced before the Commission.

Commission is of the considered view that, this serious issue can be sorted out only with the intervention of the Ministry of Coal/Power in GoI. Hence, KSEBL and other regional beneficiaries may take up these serious issues with Central Government through the respective State Government and report the status of compliance to the Commission within one month from date of this Order.

5.21 The power allocation and energy scheduled at ex bus, inter state transmission losses and the energy available at Kerala periphery from each CGS is given below.

Table 5.9
Actual energy schedule from CGS during the Year 2024-25

S. No.	Source of Power (Station wise)	Capacity	Kerala share		Energy scheduled at Ex bus	Energy received at Kerala periphery	ISTS Loss	
		(MW)	(%)	(MW)	(MU)	(MU)	in MU	in (%)
1	RSTPS I & II	2100	12.1	254.1	1649.4	1591.6	57.8	3.50%
2	RSTPS III	500	12.6	63.2	412.6	398.3	14.3	3.47%
3	Talcher Stage-II	2000	21.5	430.4	3038.2	2931.7	106.5	3.51%
4	Simhadri TPS Stg II	1000	8.3	83.0	583.4	562.9	20.5	3.51%
5	NLC Stage-I	630	10.3	65.1	255.1	246.3	8.8	3.44%
6	NLC Stage-II	840	11.1	92.8	382.8	369.5	13.3	3.48%
7	NLC 1 Expansion	420	14.5	61.0	413.8	399.4	14.4	3.48%
8	NLC II Expansion	500	14.5	72.7	132.6	128.1	4.5	3.43%
9	MAPS	440	5.4	23.6	68.6	66.2	2.4	3.49%
10	KAIGA	880	8.8	77.7	576.9	556.7	20.1	3.49%
11	Kudankulam	2000	13.4	267.8	1978.7	1908.8	70.0	3.54%
12	Vallur	1500	3.6	53.9	353.1	340.6	12.5	3.54%
13	NTPL	1000	7.7	76.7	462.1	446.1	16.0	3.47%

14	Kudgi	2400	4.8	115.4	677.8	654.1	23.6	3.49%
15	NNTPS	1000	3.3	32.6	224.5	216.6	7.8	3.49%
16	Telangana STPP				169.8	164.4	5.4	3.20%
17	BARH				607.0	584.5	22.5	3.70%
18	Sub Total	**17210**		**1770.1**	**11986.4**	**11565.8**	**420.6**	3.51%

5.22 KSEBL submitted that, there is variation in cost of power purchase from CGS compared to the approval, primarily due to the following factors;

(i) Revision is fixed charges pursuant to the tariff orders issued by CERC for the control period 2024-29. However, while approving the cost of power purchase as per MYT Order dated 25.06.2022, Commission has provisionally adopted the fixed charge approved as per previous control period 2019-24 period. KSEBL further submitted that, the tariff orders of the CGS for the period 2024-29 is yet to be fully issued, hence the invoice of such stations are issued at the tariff applicable for the year 2023-24.

(ii) Changes in energy charges attributable due to the revision of domestic coal prices, transportation charges, blending ratios, calorific values and related parameters.

(iii) Additional cost incurred towards ash transportation.

(iv) Arrears on account of past period revisions.

(v) Other statutory and operational charges.

5.23 While approving the ARR, Commission has approved Rs 278.74 crore towards part of fixed cost of installation of emission control system in CGS and Rs 143.53 crore towards additional fixed cost for fly ash transportation. KSEBL further submitted that, CERC vide the Order dated 28.10.2022 in petition No. 205/MP/2021 directed that, fly ash transportation cost incurred by generator, shall be recovered, in proportion to the coal consumed corresponding to the scheduled generation at normative parameters in accordance with Tariff Regulations, 2019 or actuals, whichever is lower for the supply of electricity to the respective DISCOMs. Hence the same is considered separately as is included in the supplementary claims.

Fixed cost of CGS

5.24 Station wise details of the fixed cost as per the CERC tariff orders and the actuals paid during the year 2024-25 for CGS is given below.

Table 5.10
Fixed charges paid to CGS during 2024-25

Sl No	Station	Fixed cost payable as per CERC order for normative availability			Fixed charges paid by KSEBL		
		Date of Tariff order	AFC approved	FC payable by KSEBL	Capacity charges	Prior period charges	Total FC paid during 2024-25
			Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr
1	RSTPS Stage I & II	05.10.2023	1142.65	138.39	136.86	-0.06	136.80
2	RSTPS Stage-III	07.11.2021	299.83	37.97	37.5	0	37.50
3	Talcher	27.04.2023	1144.55	246.43	245.87		245.90
4	Simhadri Stage II	08.02.2023	1006.04	83.24	77.91	7.61	85.50
5	NLC II Stage I	10.03.2023	356.59	36.92	22.97		23.00
6	NLC II Stage II	10.03.2023	489.00	54.11	35.45		35.40

7	NLC TPS I Exp	23.12.2022	282.76	41.15	40.81		40.80
8	NLC TPS II Exp	3.11.2022	665.94	96.93	33.16		33.20
9	MAPS	Single part tariff applicable to Nuclear Stations. Same is included under energy charges					
10	KAIGA						
11	Kudankulam						
12	NTECL Vallur	30.05.2023	1778.83	64.13	62.55	0.32	62.90
13	NTPL	01.08.2024	1214.05	93.18	72.85	54.31	127.20
14	Kudgi	19.05.2024	2788.02	134.49	131.1	4.38	135.50
15	NNTPS	02.08.2024	1342.60	43.82	42.84	7.83	50.70
16	Telangana STPS		1808.17	8.44	27.86	0.25	28.10
17	BARH Unit -I		2387.76	104.92	126.96		127.00
18	BARH Unit -II		1695.83	115.62			
	Total			1299.74	1094.69	74.64	1169.50

5.25 As per the Tariff Regulations, 2024, annual plant availability factor (NAPAF) for coal based station is 85%, NLC- TPS II Stage-1 & 2 is 80%, NLC- TPS-1 Expansion is 85% and TPS-II expansion is 70% for claiming full fixed cost from the beneficiaries.

KSEBL submitted that, since the availability of the NLC stations are far below the normative availability, fixed cost payable to the NLC stations were proportionally reduced as per the provisions of the Tariff Regulations, 2024. Details are given below.

Table 5.11
Reduction in fixed cost allowable due to shortfall in PAF from the norms specified by CERC

Name of the Station	*FC at normative availability*	*FC paid during the Year 2024-25*	*Reduction effected in FC due to reduction in plant availability*
	(Rs.Cr)	*(Rs.Cr)*	*(Rs.Cr)*
NLC II Stage I	*36.92*	*22.97*	*13.95*
NLC II Stage II	*54.11*	*35.45*	*18.66*
NLC TPS I	*41.15*	*40.81*	*0.34*
NLC TPS II	*96.93*	*33.16*	*63.77*
Total	*229.11*	*132.39*	*96.72*

5.26 KSEB Ltd further submitted that, the variation in the cost of power purchase from CGS was due to the following reasons.

(1) Variations in fixed charges due to the revision in capacity charges by CERC.
(2) Variations in energy charges due to the revision in prices of domestic coal, transportation charges, change in blending ratio, calorific value etc.
(3) Ash evacuation expenses,
(4) Revision in fixed charges after the issuance of truing up orders by CERC for the period 2014-19.
(5) Inclusion of RLDC charges, Incentive, supplementary claims such as water cess, security charges

KSEB Ltd submitted that, at the time of filing MYT petition, the tariff orders of most of the CGS was not approved by CERC, hence KSEB Ltd has estimated the fixed cost of CGS @95% of the FC claimed by the generators.

5.27 KSEB Ltd also submitted that, as part of the Truing up claims of CGS, the prior period charges adjusted towards annual fixed charges for the Year 2024-25 is given below.

Table 5.12
AFC paid for previous years

Sl No	Station	Capacity Charges (Rs Cr)
1	RSTPS Stage I & II	-0.059
2	RSTPS Stage III	0.003
3	Simhadri	7.608
4	Telangana	0.247
5	Kudgi	4.376
6	NNTPS	7.83
7	NTECL	0.32
8	NTPL	54.307
	Total	**74.632**

5.28 Thus the comparison of the Annual Fixed Charges (AFC) claimed by KSEBL for the Year 2024-25 as against the approval is given below.

Table 5.13
Total fixed charges paid to CGS during the Year 2024-25

S. No.	Source of Power (Station wise)	MYT Order dated 25.06.2022			Actuals				
		Energy schedule at ex bus	Fixed cost excluding ash transportation cost		Energy schedule at ex bus	Capacity charges for FY 2024-25	Prior period charges	Total Fixed charges for FY 2024-25	
		(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs/ kWh)
1	RSTPS I & II	1696.81	172.56	1.02	1649.4	136.86	-0.06	136.80	0.83
2	RSTPS III	425.93	48.17	1.13	412.6	37.50	0.00	37.50	0.91
3	Talcher Stage-II	2980.96	370.32	1.24	3038.2	245.87		245.87	0.81
4	Simhadri TPS Stg II	600.03	95.95	1.60	583.4	77.91	7.61	85.52	1.47
5	NLC Stage-I	422.33	53.77	1.27	255.1	22.97		22.97	0.90
6	NLC Stage-II	603.17	78.30	1.30	382.8	35.45		35.45	0.93
7	NLC 1 Expansion	464.13	62.93	1.36	413.8	40.81		40.81	0.99
8	NLC II Expansion	511.51	126.64	2.48	132.6	33.16		33.16	2.50
9	MAPS	122.72		0.00	68.6			0.00	
10	KAIGA	389.17		0.00	576.9			0.00	
11	Kudankulam	1507.12		0.00	1978.7			0.00	
12	Vallur	350.72	69.32	1.98	353.1	62.55	0.32	62.87	1.78
13	NTPL	506.33	96.83	1.91	462.1	72.85	54.31	127.16	2.75
14	Kudgi	780.71	143.03	1.83	677.8	131.10	4.38	135.48	2.00
15	NNTPS	226.17	57.63	2.55	224.5	42.84	7.83	50.67	2.26
16	Telangana STPP				169.8	27.86	0.25	28.11	1.66
17	BARH				607.0	126.96		126.96	2.09
18	Sub Total	**11587.81**	**1375.45**		**11986.4**	**1094.69**	**74.64**	**1169.33**	

Energy charges of CGS

5.29 KSEB Ltd submitted that, while approving the variable charges/ energy charges of CGS and other IPPs in each of the MYT from 2022-23 onwards, Commission has adopted 2% escalation on the actual variable cost/ energy charge of the Year 2021-22. However, there is vide variation in actual energy charge of CGS compared to the approved level. The details are given below.

Table 5.14
Energy charge – comparison of estimate and the actuals

Sl No	Particulars	Rate (Rs/kWh)		Remarks
		Approved	Actual*	
1	RSTPS I & II	2.920	3.917	
2	RSTPS III	2.790	3.811	
3	Talcher Stage-II	2.050	1.720	
4	Simhadri TPS Stg II	3.100	3.693	
5	NLC Stage-I	2.946	3.231	
6	NLC Stage-II	2.943	3.231	
7	NLC 1 Expansion	2.675	2.881	
8	NLC II Expansion	2.835	3.213	
9	MAPS	2.680	2.545	Total per unit tariff for Nuclear stations
10	KAIGA	3.660	3.716	
11	Kudankulam	4.340	4.255	
12	Vallur	3.433	3.698	
13	NTPL	3.268	5.131	
14	Kudgi	3.784	4.637	
15	NNTPS	2.480	2.737	
16	Telangana		3.791	
17	BARH		2.869	

KSEBL submitted that, the increase in energy charges was mainly due to the following;

(a) Revision of coal prices by Coal India Limited and its subsidiaries.
(b) Changes in coal prices due to changing blending ratio of imported coal with domestic coal owing to coal shortages.

Ministry of Power (MoP), GoI vide notification dated 09.01.2023 has directed all Central and State GENCOs and IPPs to import coal through transparent competitive bidding to blend with the domestic coal at the rate of 6% by weight so as to maintain coal stocks till September 2023. Subsequently, MoP vide the notification dated 01.09.2023 has extended the advisory dated 09.01.2023 till the end of the FY 2023-24 by modifying mandatory blending ratio to 4%. Subsequently, vide the notification dated 25.10.2023 MoP changed the minimum blending ratio to 6% by weight till March 2024. MoP vid ethe notification dated 04.03.2024 has further extended the same till June 2024.

Subsequently MoP vide the notification dated 27.06.2024 has decided to extend the same by modifying the blending requirement to 4% (by weight) till 15.10.2024.

5.30 KSEB Ltd further submitted that, CERC vide the Order dated 04.05.2023 in petition No. 223/MP/2022 has approved the lignite price of NLC mines. The details are given below.

Table 5.15
Transfer price of lignite approved by CERC

Sl No	Year	Lignite transfer price considered for the energy charge in MYT petition (Rs/Tonne)	Revised Lignite transfer price based on CERC dated 04.05.2023 (Rs/Tonne)
1	2019-20	Rs2132.24/Tonne	Rs.2266.23/Tonne
2	2020-21	Rs2132.24/Tonne	Rs.2324.02/Tonne
3	2021-22	Rs2132.24/Tonne	Rs.2383.27/Tonne
4	2022-23	Rs2132.24/Tonne	Rs.2407.79/Tonne
5	2023-24	Rs2132.24/Tonne	Rs2506.38/Tonne

5.31 KSEBL has also submitted that, the invoice for energy supplied from Kudamkulam station was raised based on the provisional tariff basis.

Department of Atomic Energy vide the notification dated 19.02.2025 has fixed the base tariff rate for Kudamkulam station for the year 2021-22 at Rs 4.0664 per unit. In addition to the base rate, tariff includes excise duty, insurance charge, water charges, cess/levies etc.

The base tariff consider the fuel rate of Rs 2314/MWD and this has increased to Rs 4250/MWD. Due to the change in fuel price, the fuel adjustment charges increased by 26.2456 paise per unit, and an amount of Rs 135.95 crore remitted as fuel adjustment charges for Kudamkulam station, and the amount is included in the supplementary claims.

5.32 KSEB Ltd further submitted that, the actual cost of power purchase includes RLDC charges, incentive claims, and other supplementary claims as per Orders/ Regulations of CERC, which were not included in the ARR&ERC Order dated 25.06.2022. The supplementary claims as per the audited accounts is Rs. 178.456 crore, which include fuel price adjustment charges of Rs 135.936 Cr pertains to Kudamkulam claims

The details are given as Annexure 5.5 of this Order.

5.33 Accordingly, the actual energy charges claimed by KSEBL for the Year 2024-25 is given below.

Table 5.16
Actual Energy Charge claimed by KSEBL for the Year 2024-25

Sl No	Station	MYT Order dated 25.06.2022			Actuals				
		Energy schedule at ex bus	Variable cost		Energy schedule at ex bus	Energy charges	Suplementary claims	Total variable charges	
		(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs/ kWh)
1	RSTPS I & II	1696.81	494.81	2.92	1649.38	646.02	5.31	651.33	3.95
2	RSTPS III	425.93	118.64	2.79	412.61	157.27	1.11	158.38	3.84
3	Talcher Stage-II	2980.96	612.29	2.05	3038.20	522.48	-4.57	517.91	1.70
4	Simhadri TPS Stg II	600.03	185.86	3.10	583.44	215.45	2.66	218.11	3.74
5	NLC Stage-I	422.33	124.30	2.94	255.10	82.43	7.15	89.58	3.51
6	NLC Stage-II	603.17	177.47	2.94	382.85	123.70	6.61	130.31	3.40
7	NLC 1 Expansion	464.13	124.36	2.68	413.81	119.23	-0.13	119.10	2.88
8	NLC II Expansion	511.51	144.81	2.83	132.62	42.61	-0.60	42.01	3.17
9	MAPS	122.72	32.84	2.68	68.58	17.45	0.66	18.11	2.64
10	KAIGA	389.17	142.51	3.66	576.86	214.36	-9.98	204.39	3.54
11	Kudankulam	1507.12	654.38	4.34	1978.74	841.86	166.23	1008.09	5.09
12	Vallur	350.72	120.50	3.44	353.08	130.57	0.30	130.87	3.71
13	NTPL	506.33	165.46	3.27	462.12	237.10	0.26	237.36	5.14
14	Kudgi	780.71	295.32	3.78	677.79	314.27	3.50	317.77	4.69
15	NNTPS	226.17	55.99	2.48	224.46	61.45	-0.94	60.51	2.70
16	Telangana STPP				169.83	64.38	0.27	64.65	3.81
17	BARH				606.95	174.13	0.62	174.75	2.88
18	Sub Total	**11587.81**	3449.54		**11986.40**	3964.76	178.46	4143.22	3.46

5.34 Thus, the total power purchase cost claimed for Central Generating Stations (CGS) for the year 2024-25 is given in the Table below.

Table 5.17
Total cost of power purchase from Central Generating Stations for the Year 2024-25

Sl No	Station	MYT Order dated 25.06.2022					Actuals				
		Energy schedule at ex bus	Fixed cost (excl. ash handling charges)	Variable cost	Total		Energy schedule at ex bus	Fixed cost	Variable cost (total including suppl. Claims)	Total cost	
		(MU)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs / kWh)	(MU)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs/ kWh)
1	RSTPS I & II	1696.81	172.56	494.81	667.37	3.93	1649.38	136.80	651.33	788.13	4.78
2	RSTPS III	425.93	48.17	118.64	166.81	3.92	412.61	37.50	158.38	195.88	4.75
3	Talcher Stage-II	2980.96	370.32	612.29	982.61	3.30	3038.20	245.87	517.91	763.78	2.51
4	Simhadri TPS Stg II	600.03	95.95	185.86	281.81	4.70	583.44	85.52	218.11	303.63	5.20
5	NLC Stage-I	422.33	53.77	124.30	178.07	4.22	255.10	22.97	89.58	112.55	4.41
6	NLC Stage-II	603.17	78.30	177.47	255.77	4.24	382.85	35.45	130.31	165.76	4.33
7	NLC 1 Expansion	464.13	62.93	124.36	187.29	4.04	413.81	40.81	119.10	159.91	3.86
8	NLC II Expansion	511.51	126.64	144.81	271.45	5.31	132.62	33.16	42.01	75.17	5.67
9	MAPS	122.72	0.00	32.84	32.84	2.68	68.58	0.00	18.11	18.11	2.64
10	KAIGA	389.17	0.00	142.51	142.51	3.66	576.86	0.00	204.39	204.39	3.54
11	Kudankulam	1507.12	0.00	654.38	654.38	4.34	1978.74	0.00	1008.09	1008.09	5.09

12	Vallur	350.72	69.32	120.50	189.82	5.41	353.08	62.87	130.87	193.74	5.49
13	NTPL	506.33	96.83	165.46	262.29	5.18	462.12	127.16	237.36	364.52	7.89
14	Kudgi	780.71	143.03	295.32	438.35	5.61	677.79	135.48	317.77	453.25	6.69
15	NNTPS	226.17	57.63	55.99	113.62	5.02	224.46	50.67	60.51	111.18	4.95
16	Telangana STPP	0.00	0.00	0.00	0.00		169.83	28.11	64.65	92.76	5.46
17	BARH	0.00	0.00	0.00	0.00		606.95	126.96	174.75	301.71	4.97
18	Sub Total	11587.81	1375.45	3449.54	4824.99	4.16	11986.40	1169.33	4143.22	5312.55	4.43
										5312.55	

Analysis and decision of the Commission

5.35 The Commission has examined in detail the power purchase from CGS in the year 2024-25 as detailed above.

The Commission noted that, the schedule of power from all the source of CGS claimed by KSEB Ltd was approved by the Commission for the Year 2024-25 vide the ARR&ERC Order dated 25.06.2022, except temporary allocation of power from Telengana Power plant and BARH power plant, both owned by NTPC Ltd.

5.36 The Commission has examined the details of energy schedule from CGS, the amount claimed towards capacity charges, energy charges and other claims in the year 2024-25, and noted the following.

(1) The Commission vide the ARR&ERC Order dated 25.06.2022, has approved a total energy schedule of 11587.81 MU at exbus, losses in the inter-state transmission system at 397.46MU (3.43%) and the net energy schedule at State periphery at 11190.35MU for the year 2024-25.

(2) As against the estimate, the actual schedule at generator switchyard is 11986.40MU, inter-state transmission losses is 420.60MU (3.51%) and the net energy scheduled at Kerala periphery is 11565.80 MU.

(3) Vide the ARR&ERC Order dated 25.06.2022, the total cost of power purchase approved was Rs.4824.99Cr (excluding ash handling charges) @4.16/unit at exbus). However, the actual cost incurred for the purchase was Rs. 5312.55 Cr @ Rs.4.43/unit.

5.37 KSEB Ltd has submitted the details of the cost of power purchase claimed by CGS, including the details of each claim as per the accounts.

The tariff of all CGS except the power plant coming under the Department of Atomic Energy is determined by CERC as per the provisions of the Electricity Act, 2003. The tariff of the Atomic Power Plants such as MAPS, KAIGA and Kudamkulam plants are determined by the Department of Atomic Energy, Government of India. The supplementary claims and ash transportation cost also claimed as per the orders of the CERC.

As per the Rule-8 of the Electricity Rules 2005 notified by the Central Government as per the provisions of the EA-2003, tariff determined by CERC for generating companies under clauses (a) or (b) of sub-section (1) of Section 79 of the EA-2003 shall not be subject to re-determination by State Commissions.

The Commission has also examined the month wise details of the energy surrender from each CGS and noted that, KSEB Ltd has generally followed the merit order dispatch principles for the schedule of power from CGS. It is noted that, KSEBL has surrendered about 525MU from CGS, which is about 4.20% of the total energy availability from CGS.

As detailed in Table 5.7 above, about 85% of the electricity surrendered was during day time especially during solar hours. Even during extreme summer months of March also, KSEBL has surrendered considerable quantum of power from CGS during day time.

Even upto 10% of the electricity purchased through DEEP portal also surrendered during summer months. Irrepsective of whether electricity is surrendered or not, KSEBL is liable to pay fixed charges to the CGS for the quantum of power in MW allocated to KSEBL.

Commission noted with concern that, in the last few years, the availability and schedule given by NLC stations are less than 50% of the normative availability specified by CERC. The average tariff of the electricity generated from the NLC stations are less than Rs 4.00/unit at Kerala periphery, but the per unit cost of power purchase from alternate sources for meeting the shortfall from NLC stations is in the range of Rs 7.50/unit to Rs 10.00/unit.

The Commission has been repeatedly directing KSEBL to take up the issue of low plant availability of NLC stations with the Ministry of Power, GoI along with other Southern beneficiary States. However, KSEBL is yet to report the status of its compliance.

The Commission hereby direct KSEBL to take up the issue of low plant availability of NLC stations with the Ministry of power and also with the Ministry of coal, GoI to sort out the issues, through the State Government and also in coordination with other Southern beneficiaries and report the status of compliance to the Commission within one month from date of this Order.

The Commission, after examining the details furnished by KSEB Ltd hereby approve the total power purchase of 11986.40 MU at exbus at a total cost of Rs 5312.53 crore for the Year 2024-25, as detailed in the Table below.

Table 5.18
CGS- cost of power purchase approved for the year 2024-25

Sl No	Station	MYT Order dated 25.06.2022			TrueUp petition			KSERC Approval		
		Energy schedule at ex bus	Total Cost		Energy schedule at ex bus	Total Cost		Energy schedule at ex bus	Total Cost	
		(MU)	(Rs. Cr)	(Rs / kWh)	(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs/ kWh)
1	RSTPS I & II	1696.81	667.37	3.93	1649.38	788.13	4.78	1649.38	788.13	4.78
2	RSTPS III	425.93	166.81	3.92	412.61	195.88	4.75	412.61	195.88	4.75
3	Talcher Stage-II	2980.96	982.61	3.30	3038.20	763.78	2.51	3038.20	763.78	2.51
4	Simhadri TPS Stg II	600.03	281.81	4.70	583.44	303.63	5.20	583.44	303.63	5.20
5	NLC Stage-I	422.33	178.07	4.22	255.10	112.55	4.41	255.10	112.55	4.41
6	NLC Stage-II	603.17	255.77	4.24	382.85	165.76	4.33	382.85	165.76	4.33
7	NLC 1 Expansion	464.13	187.29	4.04	413.81	159.91	3.86	413.81	159.91	3.86
8	NLC II Expansion	511.51	271.45	5.31	132.62	75.17	5.67	132.62	75.17	5.67
9	MAPS	122.72	32.84	2.68	68.58	18.11	2.64	68.58	18.11	2.64
10	KAIGA	389.17	142.51	3.66	576.86	204.39	3.54	576.86	204.39	3.54
11	Kudankulam	1507.12	654.38	4.34	1978.74	1008.09	5.09	1978.74	1008.09	5.09
12	Vallur	350.72	189.82	5.41	353.08	193.74	5.49	353.08	193.74	5.49
13	NTPL	506.33	262.29	5.18	462.12	364.52	7.89	462.12	364.52	7.89
14	Kudgi	780.71	438.35	5.61	677.79	453.25	6.69	677.79	453.25	6.69
15	NNTPS	226.17	113.62	5.02	224.46	111.18	4.95	224.46	111.18	4.95
16	Telangana STPP	0.00	0.00	0.00	169.83	92.76	5.46	169.83	92.76	5.46
17	BARH	0.00	0.00	0.00	606.95	301.71	4.97	606.95	301.71	4.97
18	Sub Total	11587.81	4824.99	4.16	11986.40	5312.55	4.43	11986.40	5312.55	4.43

II. Power Purchase from SHPs, Wind and other IPPs within the state for the Year 2024-25

5.38 KSEB Ltd, in their petition has submitted that, it had purchased 641.78MU at the cost of Rs.220.46 Cr as against the approval of 628.15 MU at the total cost of Rs.228.48 Cr. The details are given below.

Table 5.19
Power purchase from RE IPPs within the State

Sl No	Station	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
		(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
1	Wind	122.98	46.01	104.73	38.12	104.73	38.12
2	SHEP	141.71	50.73	159.96	63.61	159.96	63.61
3	Solar	324.04	106.87	377.09	118.73	377.09	118.73
4	Waste to Energy	39.42	24.87	0.00	0.00	0.00	0.00
	Sub Total	628.15	228.48	641.78	220.46	641.78	220.46

The details of the power purchase from each source is given below.

a) Wind IPPs:

5.39 KSEBL submitted that the Commission vide the ARR&ERC Order dated 25.06.2022 had approved 122.98 MU from various wind IPPs for a total cost

of Rs.46.01 Cr against which, KSEB Ltd purchased 104.73 MU at the total cost of Rs.38.12 Cr. The details are given below.

Table 5.20
Summary of the power purchase from Wind IPPs

Station	Installed capacity	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
	(MW)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
Wind- Ramakkalmedu	14.25	27.87	8.75	23.21	7.27	23.21	7.27
Wind-Koundikkal	13.80	12.56	3.94	9.54	3.00	9.54	3.00
Wind- Agali	4.80	29.72	9.33	26.03	8.16	26.03	8.16
Wind Ahalya	8.40	20.98	10.97	15.88	7.46	15.88	7.46
INOX	16.00	30.84	12.61	29.07	11.89	29.07	11.89
Kosamattom	1.00	1.01	0.40	0.88	0.34	0.88	0.34
CV Renewables**	0.05			0.11		0.11	
Subtotal	**58.25**	**122.98**	**46.00**	**104.73**	**38.12**	**104.73**	**38.12**

KSEBL further submitted that, the PPA with M/s CV Renewables yet to be finalized, hence the cost of power purchase from 50kW wind plant of M/s C.V Renewables is yet to be finalised

b) Small Hydro IPPs:

5.40 KSEB Ltd submitted that, the Commission vide the MYT Order dated 25.06.2022 had approved 141.71 MU from various small hydel IPPs @Rs.50.73 Cr. However, the actual power purchase from SHPs during the year 2024-25 was 159.96 MU at a cost of Rs.63.61 Cr. The details are given below.

Table 5.21
Details of power purchase from Small Hydro IPPs for the year 2024-25

Station	Installed capacity	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
	(MW)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
Ullunkal (EDCL)	7.00	17.79	4.34	19.65	4.79	19.65	4.79
Iruttukanam Stage-I & II	4.50	24.69	6.67	23.84	5.44	23.84	5.44
Karikkayam HEP (AHPL)	15.00	37.56	15.62	40.63	16.90	40.63	16.90
Meenvallom (PSHCL)	3.00	8.44	4.12	8.79	4.29	8.79	4.29
Kallar of Idukki District Panchayat	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Mankulam of Grama Panchayat	0.11	0.00	0.00	0.00	0.00	0.00	0.00
Minar Renewables	8.00	25.54	8.91	21.58	13.25	21.58	13.25
Deviar micro	0.05	0.00	0.00	0.07	0.12	0.07	0.12
Anakkampoil	8.00	27.67	11.07	23.97	9.59	23.97	9.59
Arippara	4.50	0.00	0.00	12.79	5.50	12.79	5.50
Mukkadom	4.00	0.00	0.00	8.65	3.72	8.65	3.72
SHEP subtotal	**54.21**	**141.69**	**50.73**	**159.96**	**63.61**	**159.96**	**63.61**

c) Solar IPPs:

5.41 KSEB Ltd submitted that, the Commission vide the MYT order dated 25.06.2022 had approved 324.05 MU from solar IPPs within the State at a total cost of Rs.106.87 Cr. However, the actual purchase from solar IPPs in the year 2024-25 was 377.09MU at Rs.118.73 Cr. The details are given below,

Table 5.22
Source wise details of the power purchase from Solar IPPs in the year 2024-25

Station	Installed capacity	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
	(MW)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
Solar IREDA	50	73.37	28.10	70.54	27.02	70.54	27.02
Solar IPP ANERT*	2	0.00	0.00	2.30	1.77	2.30	1.77
THDCIL	50	73.37	22.74	90.02	27.75	90.02	27.75
NTPC Solar	92	177.31	56.03	199.74	58.75	199.74	58.75
CIAL Ettukudukka	10	0.00	0.00	14.49	3.43	14.49	3.43
Sub total	204	324.05	106.87	377.09	118.72	377.09	118.72

KSEBL submitted that, at the time of approval of the MYT Order dated 25.06.2022, approval was not issued for the procurement of 10MW solar power from M/s CIAL Infrstructure Ltd, and the approval for the same was issued vide the Order dated 10.11.2022 @Rs 2.37/unit.

KSEBL further submitted that, though M/s ANERT has ben supplying power from the 2MW solar plant established at Kuzhalmannam, Palakkad. Provisional PPA with M/s ANERT was signed on 04.12.2019, and the payment for electricity supplied from the plant was arranged at the provisional tariff @Rs 2.69/unit till June 2022. Final approval for the tariff @Rs 2.69/unit was granted vide the Order dated 30.01.2024. The payment for the period from July 2022 to March 2024 was released only in 2024-25, and the amount involved is Rs 1.16 crore. KSEBL requested to approve this amount also.

Analysis and decision of the Commission

5.42 The Commission has examined the power purchase from Wind, SHPs and Solar IPPs during the year 2024-25 and noted the following.

(a) **Wind IPPs.**

All the sources of wind IPPs including its tariff are approved by the Commission. There is slight variation in the actual generation and supply from wind IPPs to KSEB Ltd as against the estimate as per the ARR&ERC Order dated 25.06.2022. The actual generation from the wind IPPs was 104.73 MU as against 122.98 MU as per the ARR&ERC Order dated 25.06.2022.

The Commission after appraising the details submitted by KSEB Ltd, hereby approve the purchase of 104.73 MU from wind IPPs in the year 2024-25 at a total cost of Rs.38.12 Cr as claimed by KSEB Ltd in the Table 5.19 above.

(b) Small Hydro IPPs

The Commission noted that, except Mukkadom SHP all other SHPs including the tariff was approved by the Commission. However, for the Mukkadom SHP also, the Commission had subsequently approved interim tariff @Rs 4.30/unit. KSEBL purchased 8.65MU from Mukkudam SHP at the total cost of Rs 3.72 crore.

KSEBL has further submitted that, Arippara SHP developed by M/s CIAL Infrastructure Ltd declared CoD on 13.10.2021. Since then, the electricity generated from the project has been supplying to KSEBL. Commission vide the Order dated 08.03.2023 had approved the tariff of the project @4.30/unit. KSEBL had purchased 12.79MU from Arippara SHP at the total cost of Rs 5.50 Crore.

The Commission after appraising the electricity purchase from SHPs as above, hereby approve the purchase of 159.96 MU and the total cost of Rs.63.61 Cr for the Year 2024-25 as claimed by KSEB Ltd vide the Table 5.21 above.

(c) Solar IPPs

The Commission vide the MYT Order dated 25.06.2022 had approved 324.05MU from Solar IPPs at a total cost of Rs 106.87 crore.

As against the approval, KSEB Ltd had purchased 377.09 MU from the various solar IPPs at a total cost of Rs.118.73 Cr in the Year 2024-25. The purchase of power from Solar IPPs includes 50MW Solar of IREDA at Kasagod Solar park, 50MW Solar park of THDCIL at Kasargod Solar Park, 92MW floating solar plant developed by M/s NTPC Ltd at Kayamkulam, 10MW Solar Plant of CIAL at Ettukudukka. All sources are approved by the Commission.

The Commission, after appraising the entire matter in detail as above, decided to approve the purchase of 377.09 MU from Solar IPPs at a total cost of Rs. 118.73 Cr as detailed in the Table 5.22 above.

5.43 The summary of the power purchase from Wind and other RE IPPs within the State is given below.

Table 5.23
Summary of power purchase from Wind and other RE IPPs in the State

Sl No	Station	MYT order dated 25.06.2022		Truing Up petition		KSERC Approval	
		Energy (MU)	Cost (Rs.Cr)	Energy (MU)	Cost (Rs.Cr)	Energy (MU)	Cost (Rs.Cr)
1	Wind	122.98	46.01	104.73	38.12	104.73	38.12
2	SHEP	141.71	50.73	159.96	63.61	159.96	63.61
3	Solar	324.04	106.87	377.09	118.73	377.09	118.73
4	Waste to Energy	39.42	24.87	0.00	0.00	0.00	0.00
	Sub Total	628.15	228.48	641.78	220.46	641.78	220.46

III. Power purchase of 200MW Wind Power through SECI on long term basis

5.44 KSEB Ltd submitted that, it had entered PSA with SECI to purchase 200 MW of wind energy on long Term basis for a period of 25 years. 75 MW of power started scheduling from March 2021 onwards. The Commission vide the order dated 09.12.2020 approved Power Sale Agreement (PSA) for 200 MW wind power with SECI dated 14.06.2019 and its amendment dated 12.12.2019, for a period of 25 years from the Scheduled Commissioning Date (SCD). The tariff determined through competitive bidding route was Rs 2.89/unit.

KSEBL further submitted that, though it had entered PPA with SECI for 200MW power, 75MW only started scheduling. It is learned that one of the WEG participated in the SECI tender was terminated the PPA with the SECI.

KSEB Ltd submitted that, it had procured 189.89 MU during the year 2024-25 at the total cost of Rs 54.88 Crore in the Year 2024-25 and requested before the Commission to approve the same. The details are given below.

Table 5.24
Wind Power purchase from sources outside the State through M/s SECI

Station	Installed capacity	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
	(MW)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
Wind Power through SECI	75	472.8	133.33	189.89	54.88	189.89	54.88

.Analysis and Decision of the Commission

5.45 The Commission vide the order dated 19.02.2020 had approved the purchase of 200MW wind power through SECI for the period of 25 years from the date of SCD. However, till date SECI could supply only 75MW as against the contract of 200MW. It is learned that, the one of the generator selected through competitive bidding route of SECI has terminated the contract.

In this matter, Commission vide the Order dated 30.06.2025 in petition OP No. 49/2024 has directed KSEBL to take up the issue with SECI, the designated REIA to get the balance quantum of 125MW of wind power from alternate wind power sources from the WEG selected from subsequent bids or other alternate sources invited by SECI at the same tariff. It is also directed to submit the progress within one month from the date of the Order dated 30.06.2025.

KSEBL vide the letter dated 30.12.2025 has submitted that, the licensee vide the letters dated 05.02.2021 and 23.07.2021 requested SECI to take all earnest effort to materialize the balance power However, SECI not responded to the request of KSEBL.

Subsequently, on 23.08.2025, and 09.10.2025, KSEBL requested SECI to arrange balance 125MW from alternate source at the originally agreed tariff.

SECI vide the letter dated 23.10.2025 rejected the request of KSEBL and clarified that 125MW project was cancelled due to developer's failure to meet the pre-requisites for signing the PPA, and the 100MW project (Tranche-VII) was terminated due to Force Majeure event as per CERC orders.

SECI cited Clause 2.3.1 of the PSA to assert that the termination of the back-to-back Power Purchase Agreements (PPAs) automatically results in the cancellation of the corresponding PSA capacity, thereby absolving SECI of any obligation to supply power against the terminated capacity. Consequently, SECI has refused to supply the un commissioned power at the original rates but expressed willingness to conduct a separate tender for procuring Wind Power to assist KSEBL in meeting its Renewable Purchase Obligation (RPO) targets.

Commission noted the explanation provided by SECI, a Navaratna Central Public Sector Enterprise (CPSE) under GoI. As per the information available in the public domain, as on July 2025, SECI has awarded to install 16395.7MW Wind power plants in the Country. Out of it, 7123.91 MW capacity already commissioned. Hence, it is not a difficult task to allot 125MW wind capacity in lieu of the capacity allotted to KSEBL under Tranche-VI scheme.

Hence, Commission hereby direct KSEBL to take up the matter through the State Government with Ministry of Non Conventional Energy Sources (MNRE) and MoP, of GoI to get 125MW Wind power in lieu of the 125MW already allocated under Tranche-VI Scheme with same terms and conditions including tariff. Progress shall be strictly submitted to the Commission within two months from the date of this order.

With the above observation and directions, Commission herby approve the purchase of 189.89 MU of Wind power through SECI at the total cost of Rs 54.88 crore in the Year 2024-25, as detailed in the **Table 5.24 above.**

IV. Solar power purchase from sources outside the State.

5.46 KSEBL submitted that, the Commission vide the Order dated 28.01.2022 has approved the purchase of 110MW from M/s TP Sourya Ltd (100% subsidiary of M/s TATA Power Company Ltd) @Rs 2.44/unit. The generator has supplied 234.27 MU as per the agreement at a total cost of Rs 57.27 crore.

5.47 KSEBL further submitted that, the Commission vide the Order dated 05.07.2022 has ordered to approve 90MW from ANTA power plant of NTPC @Rs 2.77/unit. During the year 2024-25, KSEBL has procured 169.074 MU at the total cost of Rs 46.69 crore.

5.48 Commission vide the Order dated 15.11.2021 in petition OP No. 31/2020 had approved procurement of 300MW solar power @Rs 2.44/unit including trading margin @Rs 0.07/unit. Power from the project started scheduling from March

2024 onwards. During the year 2024-25, KSEBL had procured 701.68MU at the total cost of Rs 163.15 Crore.

5.49 Summary of the power purchase from these sources is given in the Table below.

Table 5.25
Solar Power purchase from sources outside the State

Station	Installed capacity	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement	
		Energy	Cost	Energy	Cost	Energy	Cost
	(MW)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
M/s TP Sourya Ltd (subsidiary of TATA power Ltd	110	1044.92	276.85	234.27	57.27	234.27	57.27
SECI through the generator M/s Renew Surya Aayan Ltd	300			701.68	163.15	701.68	163.15
ANTA solar plant of NTPC	90			169.07	46.69	169.07	46.69
Sub Total	500	1044.92	276.85	1105.03	267.11	1105.03	267.11

Analysis and Decision of the Commission

5.50 Commission has examined the details of the solar power purchase through M/s TP Sourya Ltd, ANTA power plant of NTPC Ltd, and 300MW power SECI as above. As detailed in the paragraph 5.47, 5.48 and 5.49 above, Commission had approved the power purchase from these sources at the tariff specified therein.

After examining the details, the Commission hereby approve the power purchase of 1105.03 MU from Solar IPPs outside the State at the total cost of Rs 267.11 Cr.

V. Captive power producers/ Solar prosumers

5.51 KSEB Ltd submitted that, prosumers and captive RE generators are allowed to inject electricity into the grid during solar hours or as and when surplus energy is available from the RE plants, with the intention to bank and adjust the same against the electricity imported from the grid during non-solar hours and when RE electricity generation is not available.

The energy injected by the captive consumers/ solar prosumers is taken as export to the grid and energy drawn from the grid is accounted as imported from the grid.

5.52 Source wise, category wise details of the electricity generated and exported to the grid by prosumers and captive consumers for banking, and the details of the electricity imported from the grid adjusted against the energy so banked is given in detail in Table 4.6 of this Order.

KSEBL further submitted that, there is surplus energy of about 217.26 MU at the year end, i.e., as on 31.03.2025, out of the energy exported from the Solar plants after adjustment against the electricity imported from the grid during non solar hours etc.

5.53 The split up details of the surplus energy banked by the prosumers at the year end after adjustment is given in the Table below.

Table 5.26
Details of the banked surplus energy by prosumers during the Year 2024-25 as on 31.03.2025

Sl No	Particulars	LT prosumers	HT prosumers	Total
1	Installed capacity (MW)	1100.88	108.3	1209.18
2	Gross generation from the RE/solar plat in MU	1075.81	114.94	1190.75
3	Self consumprion at source from the plant in MU	259.4	96.95	356.35
4	Electricity exported to the grid for 'banking' after self consumption in MU = (2)-(3)	816.41	17.99	834.4
5	Electricity imported from the grid during Non-solar hours etc adjusted against the banked energy in MU	592.13	14.22	606.35
6	Lossess etc associated with banking in MU	7.872	2.877	10.749
7	Net surplus energy at the year end in MU= (4)-(5)-(6)	216.41	0.89	217.301

5.54 KSEB Ltd further submitted that, the energy in the bank at the end of the settlement period is settled at the APPC approved by the Commission from time to time. Commission vide the Order dated 30.06.2025 in petition OP No. 49/2024 has approved the APPC for the Year 2024-25 @3.26/unit for settling the net surplus energy banked and at credit of the prosumers as on 31.03.2025.

The settled amount was being refunded to the prosumers after adjustment against arrers during the year 2025-26. An amount of Rs 38.21 crore was disbursed during the year 2024-25. Details are given below.

Table 5.27
Details of the amount settled against surplus banked energy by the prosumers etc.

Sl No.	Particulars	Quantity
1	Surplus energy at the bank of the prosumers as on 31.03.2025 in MU	217.30
2	Amount to be disbursed @Rs 3.26/unit (Rs. Cr)	70.83
3	Amount accounted during the year 2024-25 (Rs. Cr)	38.21

KSEBL requested before the Commission to approve the amount disbursed during the Year 2024-25 for the purpose of Truing Up. KSEBL has also requested that, the amount refunded during the year 2025-26 may be allowed in the Truing Up petition for the Year 2025-26.

Analysis and Decision of the Commission

5.55 The Commission has examined the details submitted by KSEB Ltd in detail and noted the following.

(1) The Commission vide the Order dated 30.06.2025 in petition OP No. 49/2024 has approved the Average Pooled Cost of Power Purchase for settling the net banked energy as on 31.03.2024 @ Rs 3.26/unit.

(2) As per the "Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) (First Amendment) Regulations, 2022, notified on 15.07.2022, the settlement period for settling the net banked energy by the prosumers and captive consumers is the period from the first day of April in a Gregorian calendar year to the thirty first day of March in the next calendar year;

(3) As per the details submitted by KSEBL, the net banked energy at the end of the FY 2024-25, i.e., as on 31.03.2025 was 217.30MU, and this has to be settled at the APPC rate of Rs 3.26/unit. Thus, the net amount payable for the surplus energy as on 31.03.2025 is Rs 70.83 crore.

(4) However, as against the assessed settlement amount of Rs. 70.83 crore as on 31.03.2025, the amount accounted during the year 2024-25 is Rs 38.00 crore only. KSEBL submitted that, balance amount paid during the 2025-26 was accounted under cost of power purchase of the Year 2025-26.

KSEBL further submitted that, since the Commission has approved the APPC vide the Order dated 30.06.2025, KSEBL could account the amount disbursed in the financial year 2025-26 only.

In the process of Truing Up for the Year 2024-25, KSEBL claimed the actual disbursement as expense under this head for the year 2024-25.

(5) However, it is noted that the energy to be settled at APPC rate as on 31.03.2024 (pertaining to FY 2023-24) was 125.93 MU. The APPC rate approved by the Commission for 2023-24 was Rs.3.15 per unit vide order dated 28.06.2024. The amount payable comes to Rs.39.69 Cr. This amount can be disbursed only during 2024-25 and it appears that an amount of Rs.38.21 Cr is disbursed during 2024-25. However, the accounting practice being followed by KSEB Ltd is not submitted in detail.

5.56 The Commission after appraising the entire matter in detail, hereby approve accounting the cost of settlement at APPC rate towards the part of power purchase of KSEB Ltd. The Commission also approve the amount of Rs.38.21 Cr, which is disbursed to the prosumers as part of settlement of net banked energy. **The KSEB Ltd is directed to file the detailed accounting methodology followed by it for the settlement of surplus energy injected by prosumers, within one month of this Order.**

VI. Fixed cost of RGCCPP- Kayamkulam plant of NTPC

5.57 KSEB Ltd in the petition submitted that, the Commission, vide Order dated 25.06.2022 had not approved any schedule from RGCCPP for the year 2024-25, however approved Rs.91.67 Cr towards the fixed charges of RGCCPP, Kayamkulam upto February 2025.

KSEB Ltd has not scheduled power from RGCCPP Kayamkulam during the year 2024-25. The auxiliary consumption of the station availed from KSEB Ltd in the year 2024-25 is 6.07 MU.

5.58 The total power purchase cost of RGCCPP claimed by KSEB Ltd during the year 2024-25 is given below.

Table 5.28
RGCCPP- Kayamkulam. Fixed cost claimed by KSEB Ltd for the year 2024-25

Particulars	KSEBL claim (Rs Cr)
Capacity Charges	100.00
Charges towards auxiliary consumption	-4.10
Deferred Tax	2.40
LC charges	0.03
Others	-0.67
Provision for FY 2024-25	-3.23
Less Provision reversal for FY 2023-24	-27.95
Power purchase cost as per accounts	122.37
Less Provision reversal for FY 2023-24	27.95
True up claim	94.42

Analysis and Decision of the Commission

5.59 The Commission has examined in detail the fixed cost claimed by KSEB Ltd to RGCCPP Kayamkulam during the year 2024-25. KSEB Ltd and NTPC has reached a settlement towards fixed cost and other aspects in respect of the PPA of RGCCPP at Kayakulam of NTPC Ltd for the years from 2019-20 upto the end of the PPA period, i.e., upto 28.02.2025. The settlement between the NTPC Ltd and KSEB Ltd was also approved by the State Government.

5.60 The Commission vide Order dated 15.03.2021 in petition OP No. 02/2021 had approved the settlement. The relevant portion of the order is extracted below.

"25. After considering the matter in details along with the submissions of the parties and the stakeholders, the Commission hereby orders as follows:

a. The extension of PPA with RGCCPP for a period up to 28-02-2025 is approved under Section 86 of the Electricity Act 2003, based on the settlement reached between M/s KSEB Ltd and M/s NTPC Limited as per minutes of the meeting held on 12-11- 2020, on the condition that the continuation of the compensatory allocation of 180MW of cheaper power from Talcher is provided by NTPC Limited for the entire period of PPA. KSEB Ltd has to ensure the compliance to this condition.

b. The annual fixed charge of Rs.100 Cr per annum as agreed to by the parties is also approved for the PPA period.

c. The rate of energy charges as agreed to by the parties is also approved considering the fact that the stock of Naphtha is to be exhausted for reducing the Fixed charges. KSEB Ltd shall seek prior approval from the Commission for further scheduling of the Plant.

d. KSEB Ltd shall provide necessary schedule to RGCCPP, Kayamkulam for exhausting the stock of Naphtha available with RGCCPP/ BPCL as per the terms of Agreement.

e. *KSEB Ltd shall ensure that all litigations pending in various Courts and other judicial forum, if any are withdrawn before releasing any AFC as per this Order."*

5.61 As above, the annual fixed charges approved by the Commission for the period from 2019-20 till 28.02.2025 is Rs.100.00 Cr per annum. Since the approved PPA period of RGCCPP, Kayamkualm expires on 28.02.2025, the proportional amount of fixed cost approved for the Year 2024-25 is Rs 91.67 crore.

Commission is yet to approve the extension of PPA of RGCCPP w.e.f 01.03.2025 onwards, hence Commission cannot approve the total fixed cost of Rs 100.00 crore as claimed by KSEBL in the Truing Up petition.

Commission has examined the adjustment made in the fixed cost as claimed in the Table 5.28 above, and decided to approve the same as claimed by KSEBL.

5.62 Accordingly, fixed cost of RGCCPP, Kayamkulam approved after making the adjustment is Rs.86.10 Crore. Details are given below.

Table 5.29
Fixed cost and other claims of RGCCPP- Kayamkulam approved for the year 2024-25

Particulars	KSEBL claim (Rs Cr)	Approved by the Commission (Rs. Cr)
Capacity Charges	100.00	91.67
Charges towards auxiliary consumption	-4.10	-4.10
Deferred Tax	2.40	2.40
LC charges	0.03	0.03
Others	-0.67	-0.67
Provision for FY 2024-25	-3.23	-3.23
Less Provision reversal for FY 2023-24	-27.95	-27.95
Less Provision reversal for FY 2023-24	27.95	27.95
True up claim	94.42	86.10

As above, Commission after appraising the fixed cost claimed for RGCCPP Kayamkulam plant of NTPC Ltd, hereby approve Rs.86.10 Cr towards fixed cost and other claims of RGCCPP Kayamkulam for the purpose of Truing Up of accounts for the Year 2024-25.

VII. Power Purchase from Maithon and DVC stations whose tariff is determined by CERC

5.63 KSEB Ltd submitted that, the Commission vide the MYT Order dated 25.06.2022 has approved 3123.49MU from Maithon and DVC stations at a total cost of Rs. 1517.32 Cr. The actual power purchase from these stations was 3148.68 MU and the total cost was Rs.1401.26 Cr. The details are given below.

Table 5.30
KSEBL- Details of the power purchase from Maithon and DVC stations in the Year 2024-25

Source	MYT order dated 25.06.2022		Audited Accounts		Truing up requirement		Rate	
	Energy	Cost	Energy	Cost	Energy	Cost	KSERC Approval	Actual
	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)	(Rs/ kWh)	(Rs/ kWh)
Maithon Power Ltd-I	1034.96	484.82	1060.52	442.06	1060.52	442.06	4.68	4.17
Maithon Power Ltd-II	1034.96	484.82	1060.65	442.07	1060.65	442.07	4.68	4.17
DVC Mejia	705.51	365.58	714.09	351.97	714.09	351.97	5.18	4.93
DVC RTPS	348.06	182.1	313.42	165.16	313.42	165.16	5.23	5.27
Subtotal	3123.49	1517.3	3148.68	1401.26	3148.68	1401.26	4.86	4.45
* Energy at ex bus								

a) Maithon Stations

5.64 KSEB Ltd submitted that, the actual schedule from Maithon stations was slightly higher than the schedule approved by the Commission. As against the approval of 2069.92 MU at the cost of Rs.969.64 crore, the actual schedule from Maithon stations was 2121.17MU at the cost of Rs 884.13 crore.

The tariff of the Maithon stations was approved by the CERC vide the Order dated 08.01.2022 for the MYT period 2019-20 to 2023-24.

The details of the cost of power purchase claimed for Maithon Stations are given below.

Table 5.31
Details of the cost of power purchase of Maithon Stations claimed for 2024-25

Particulars	MPL-PSA I	MPL-PSA-II
Energy at exbus(MU)	1060.52	1060.65
Energy at Kerala periphery(MU)	1022.16	1022.27
Capacity charges		
(i) Capacity Charges(Rs. Cr.)(As per tariff order for FY 2023-24)	135.29	135.29
(ii) Capacity charges per unit (Rs/ kWh) (at ex bus)	1.28	1.28
Variable cost		
(i) Energy Charges(Rs. Cr.)	303.70	303.71
(ii) RLDC Charges(Rs. Cr.)	0.14	0.14
(iii) Incentive(Rs. Cr.)	0.68	0.68
(iv) CERC Fees 2024-25(Rs Cr.)	0.06	0.06
(v) LC charges(Rs Cr)	0.41	0.41
(vi) Others(Rs Cr)	1.79	1.79
(vii) Variable charge (sSub total) (Rs. Cr)	306.78	306.79
(vii) Variable charge (Rs/ kWh)	2.89	2.89
Total cost (Rs.Cr)	442.06	442.07
Toal per unit cost (at ex bus) (Rs/ kWh)	4.17	4.17
Total per unit cost (at Kerala periphery) (Rs/ kWh)	4.32	4.32

KSEBL further submitted that, CERC yet to approve the tariff of the Maithon Stations for the control period 2024-25 to 2028-29. Hence the tariff approved for the previous control period 2019-20 to 2023-24 is provisionally continuing.

b) DVC Stations

5.65 KSEB Ltd submitted that, the licensee had scheduled 714.09MU from DVC Mejia station at a total cost of Rs 351.97 Cr against the approved quantum of 705.51MU at the cost of Rs 365.58 Cr from the allocation of 100MW.

Similarly, KSEBL has scheduled 313.42MU from 50MW contracted capacity of the Regunathpur TPS of M/s DVC at the total cost of 165.16 crore, as against the approved quantum of 348.06MU at the total cost of Rs 182.10 Cr.

CERC vide the Order dated 27.04.2023 had approved the tariff of the Mejia Power stations of DVC for the control period from 2019-20 to 2023-24. The annual fixed charges approved for the Station was 1027.80 crore, which was provisionally continuing for the year 2024-25 also.

Similarly, CERC vide the Order dated 27.04.2023 has also approved the tariff of the Regunathpur TPS during the period from 2019-20 to 2023-24. The annual fixed charge approved by CERC for the year 2023-24 was Rs 1339.48 crore, which was continuing for the year 2024-25, since the tariff for the control period 2024-25 to 2028-29 is yet to be approved.

The details of the cost of power purchase from DVC Stations claimed in the Year 2024-25 is given below.

Table 5.32
Details of the cost of power purchase claimed from DVC stations

SL No	Particulars	DVC MTPS	DVC RTPS
1	Energy at exbus(MU)	714.09	313.42
2	Energy at Kerala periphery (MU)	688.41	301.09
3	**Capacity charges**		
	(i) Capacity Charges (Rs. Cr.)(As per tariff order for FY 2023-24)	107.61	54.34
	(ii) Capacity charges paid (Rs. Cr)	102.78	52.24
	(iii) Supplementary Capacity Charges towards ECS (Rs. Cr)	4.83	2.09
	(iv) Total capacity charges paid (Rs. Cr) (ex-bus)	107.61	54.33
	(v) Capacity charges per unit (Rs/ kWh)	1.51	1.73
4	**Variable cost**		
	(i) Energy Charges (Rs. Cr.)	239.17	105.42
	(ii) RLDC Charges (Rs. Cr.)	0.08	0.04
	(iii) Incentive (Rs Cr)	2.09	0.09
	(iv) Ash evacuation expenses (Rs Cr)	2.85	
	(v) LC charges (Rs Cr)	0.05	0.05
	(vi) Other supplementary claims	0.10	5.22
	(vii) Total variable cost paid (Rs. Cr)	244.34	110.82
	(viii) Variable cost paid (Rs/ kWh) (at ex bus)	3.42	3.54
5	**Total**	351.95	165.15
	(i) Toal per unit cost (at ex bus) (Rs/ kWh)	4.93	5.27
	(ii) Total per unit cost (at Kerala periphery) (Rs/ kWh)	5.11	5.49

Analysis and Decisions of the Commission

5.66 The details of the approvals granted by the Commission for purchase of power from power stations of Maithon Power Limited and DVC Stations are given below.

Table 5.33
Details of power purchase approvals given for Maithon and DVC stations

Source	Contracted capacity (MW)	Date of approval	Period of contract	Approved Tariff
Maithon Power	150	Order dated 26.12.2013	25 years	Approved under Section 62 of Electricity Act 2003
Maithon Power	150	Order dated 08 - 07- 2015	25 years	
DVC Mejia	100	No.500/C.Engg/DVC/2014/348 dated 28.03.2014 & Order dated 21.01.2016	25 years	
DVC RTPS	50		25 years	

5.67 The tariff of the electricity supplied from these stations are being determined by the Central Electricity Regulatory Commission, as per the Tariff Regulations notified by that Commission from time to time. KSERC vide the ARR&ERC Order dated 25.06.2022 had approved the energy drawal from the above stations for the year 2024-25, as given below.

Table 5.34
Energy drawal from IPPs as per the ARR&ERC dated 25.06.2022 for the Year 2024-25

Station	Energy availability at exbus	Energy availability at KSEB bus	Fixed cost	Variable cost	Total
	(MU)	(MU)	(Rs.Cr)	(Rs. Cr)	(Rs.Cr)
Maithon Power Ltd-Bid I	1034.96	999.46	198.50	286.32	484.82
Maithon Power Ltd-Bid II	1034.96	999.46	198.50	286.32	484.82
DVC Mejia	705.51	681.31	142.47	223.11	365.58
DVC RTPS	348.06	336.12	65.16	116.94	182.10
Sub Total	3123.49	3016.35	604.63	912.69	1517.32

5.68 Commission has also examined the surrender of power from Maithon and DVC stations for the year 2024-25 is given below.

Table 5.35
Month wise details of surrender from Maithon and DVC stations during the Year 2024-25

Month	Maithon-	Maithon-	DVC-	DVC-
	(MU)	(MU)	(MU)	(MU)
Apr	0.49	0.49	0.82	0.11
May	3.78	3.78	6.33	1.60
Jun	0.17	0.17	0.69	0.17
Jul	3.18	3.18	5.71	1.77
Aug	1.73	1.73	5.16	2.80
Sep	0.75	0.75	3.97	1.46
Oct	0.57	0.57	3.36	1.66
Nov	0.99	0.99	3.14	1.09
Dec	0.16	0.16	2.22	0.79
Jan	0.43	0.43	1.19	0.15
Feb	1.55	1.51	4.59	0.71
Mar	0.71	0.71	2.81	0.64
Total	14.52	14.48	40.00	12.94
Schedule at exbus	1060.52	1060.55	714.09	313.42
Surrender as (%) of availability	1.4%	1.3%	5.3%	4.0%

As detailed above, the surrender is mainly from DVC stations, mainly due to its high variable cost compared to Maithon Stations.

5.69 The Commission has also examined the actual power purchase and cost from the above stations claimed by KSEB Ltd. As mentioned earlier, the tariff of these stations are being determined by the CERC as per Section 62 of the Electricity Act, 2003.

Commission has also noted that, the variable cost of DVC thermal generating stations are relatively high compared to other thermal power plants commissioned during the same period. It is further noted that, coal for the generating stations of DVC are procured from Bharath Coking Coal Ltd through fuel supply agreement. The price of Coking Coal, which is generally needed for metallurgical purposes in blast furnaces, is relatively high. Commission has also observed that, presently surplus non-coking coal is available with Coal India Ltd (CIL) and its subsidiaries for power generation. Hence, KSEB Ltd through M/s DVC may take up the matter with Ministry of Coal through Ministry of power, GoI to get adequate cheaper domestic coal from CIL and its subsidiaries. It will beneficial for all beneficiaries of DVC stations including KSEBL and the DVC as a distribution licensee. Hence, KSEBL may also take up the matter with appropriate forums to get suffient domestic non-coking coal to DVC stations

The Commission after appraising the entire aspects of power purchase from Maithon and DVC stations, hereby approves the power purchase from these stations for the year 2024-25, as detailed below.

Table 5.36
Actual schedule and cost of power purchase from Maithon and DVC stations

Station	Energy availability at exbus	Energy availability at KSEB bus	Fixed cost	Variable cost	Total cost	Cost/unit (ex bus)
	(MU)	(MU)	(Rs.Cr)	(Rs. Cr)	(Rs. Cr)	(Rs/ kWh)
Maithon Power Ltd-Bid I	1060.52	1022.16	135.29	306.78	442.07	4.17
Maithon Power Ltd-Bid II	1060.65	1022.27	135.29	306.79	442.08	4.17
DVC Mejia	714.09	688.41	107.61	244.34	351.95	4.93
DVC RTPS	313.42	301.09	54.33	110.82	165.15	5.27
Sub Total	3148.68	3033.93	432.52	968.73	1401.25	4.45

5.70 The summary of the Trueup of cost of power purchase from Maithon and DVC stations for the Year 2024-25 is given below.

Table 5.37
True up of power purchase from Maithon and DVC stations approved for the year 2024-25

Source	MYT order dated 25.06.2022			Truing Up petition			KSERC Approval		
	Energy *	Cost	Avg. tariff	Energy *	Cost	Avg. tariff	Energy *	Cost	Avg. tariff
	(MU)	(Rs.Cr)	(Rs/ kWh)	(MU)	(Rs.Cr)	(Rs/ kWh)	(MU)	(Rs.Cr)	(Rs/ kWh)
Maithon Power Ltd-I	1034.96	484.82	4.68	1060.52	442.06	4.17	1060.52	442.06	4.17
Maithon Power Ltd-II	1034.96	484.82	4.68	1060.65	442.07	4.17	1060.65	442.07	4.17

DVC Mejia	705.51	365.58	5.18	714.09	351.97	4.93	714.09	351.97	4.93
DVC RTPS	348.06	182.1	5.23	313.42	165.16	5.27	313.42	165.16	5.27
Subtotal	3123.49	1517.3	4.86	3148.68	1401.26	4.45	3148.68	1401.26	4.45

* Energy at ex bus

5.71 *As detailed above, the Commission hereby approve Rs.1401.26 Cr towards the cost of power purchase of 3148.68 MU at exbus at the average tariff of Rs.4.45/unit.*

VIII. Power purchase from approved DBFOO contracts

5.72 KSEB Ltd in their petition submitted that, the Commission vide Order dated 25.06.2022 had approved the purchase of 2246.94MU from the approved DBFOO contract with M/s Jindal Power Ltd (200MW) and M/s BALCO (100MW) in the year 2024-25, at a total cost of Rs. 969.37 Cr. The details of the cost of power purchase approved from these stations are given below.

Table 5.38
Details of power purchase from approved DBFOO contracts as per the ARR&ERC Order dated 25.05.2022 for the year 2024-25

Trader/Source	Energy at exbus	Energy at Kerala periphery	Fixed charges at exbus	Fixed charges	Variable charges at exbus	Variable charges	Other charges	Total
	(MU)	Rs Cr.	Rs/kWh	Rs Cr.	Rs/kWh	Rs Cr.	Rs Cr.	Rs Cr
Jindal Power Ltd-Bid I	1,497.96	1446.58	2.89	432.54	1.45	217.58	-19.1	631.02
Balco	748.98	723.29	3.40	254.47	1.29	96.81	-12.93	338.35
Sub Total	2246.94	2169.87		687.01		314.39	-32.03	969.37

5.73 As against the approval, KSEB Ltd has purchased 2411.37 MU at a total cost of Rs.835.38 Cr in the Year 2024-25. The details are given below.

Table 5.39
Details of the actual power purchase from approved DBFOO contracts

Trader/Source	Energy at exbus	Energy at Kerala periphery	Fixed charges at exbus	Fixed charges	Variable charges at exbus	Variable charges	Incentive/ damages	Other charges	Total
	MU	Rs Cr.	Rs/kWh	Rs Cr.	Rs/kWh	Rs Cr.	Rs Cr.	Rs Cr.	Rs Cr
JPL-Bid I	1625.24	1565.91	2.74	381.31	1.43	232.39	16.23	-81.71	548.22
Balco	786.13	757.34	3.04	226.05	1.19	93.57	7.93	-40.39	287.16
Total	2411.37	2323.25		501.32		387.71	16.30	-69.96	835.38

5.74 A comparison of the approval of power purchase as per the ARR&ERC Order dated 25.06.2022 and the actuals from the above stations are given below.

Table 5.40
KSEB Ltd claim- summary of the power purchase from approved DBFOO contracts

Source	KSERC approval			Actual			Truing up		
	Energy *	Cost	Avg. tariff	Energy *	Cost	Avg. tariff	Energy *	Cost	Avg. tariff
	(MU)	(Rs.Cr)	(Rs/ kWh)	(MU)	(Rs.Cr)	(Rs/ kWh)	(MU)	(Rs.Cr)	(Rs/ kWh)
Jindal Power Ltd-Bid I	1497.96	631.02	4.21	1625.24	548.22	3.37	1625.24	548.22	3.37
BALCO	748.98	338.35	4.52	786.13	287.16	3.65	786.13	287.16	3.65
Subtotal	2246.94	969.37	4.31	2411.37	835.38	3.46	2411.37	835.38	3.46
* Energy at ex bus									

Analysis and Decision of the Commission

5.75 The Commission vide the order dated 30.08.2016 had adopted the tariff and approved the procurement of 200 MW from Jindal Power Ltd, L1 of Bid-1. Similarly, vide the same order the Commission has also adopted the tariff and granted approval for the procurement of 100MW from M/s BALCO, L1 of Bid-2. The details are given below.

Table 5.41
Details of power purchase approvals given for projects under DBFOO

Source	Contracted Capacity (MW)	Date of approval	Period of contract
Jindal Power Ltd-Bid I(DBFOO)	200	Order dated 30.8.2016	25 years
BALCO -Bid-I (DBFOO)	100	Order dated 30.8.2016	25 years

5.76 The Commission vide the ARR&ERC Order dated 25.06.2022 had approved the power purchase from these sources as given below.

Table 5.42
Summary of the power purchase approved vide the ARR&ERC Order dated 25.06.2022

Trader Name	Contracted capacity	Auxiliary consu-mption	PLF	Energy		Cost			
	MW			EX bus	Kerala periphery	Fixed charge	Variable cost	Other charges	Total
	MW	%	(%)	MU	MU	Rs.Cr	Rs.Cr	Rs.Cr	RsCr
JPL-Bid-1	200	5.00	90%	1497.96	1446.58	432.54	217.58	-19.1	631.02
BALCO	100	5.00	90%	748.98	723.29	254.47	96.81	-12.93	338.35
Sub Total	**300**			2246.94	2169.87	687.01	314.39	-32.03	969.37

5.77 As against the approval, the actual schedule and the cost incurred for the purchase of power from the approved DBFOO contract is given in the Table under Table- 5.37 above. It is noticed that, while approving the ARR, the Commission has allowed additional cost for emission control system (ECS) and also fly ash transportation. However, the installation of ECS is yet to be materialised and hence the generators have not claimed expenditure for the installation of ECS.

5.78 The Commission after appraising the entire aspects in detail, hereby approve the cost of power purchase of the approved DBFOO contracts as detailed below.

Table 5.43
Approved DBFOO contracts- cost of power purchase approved for the year 2024-25

Source	MYT Order dated 25.06.2022			Truing up			KSERC Approval		
	Energy*	Cost	Avg. tariff	Energy*	Cost	Avg. tariff	Energy*	Cost	Avg. tariff
	(MU)	(Rs Cr)	(Rs/ kWh)	(MU)	(Rs Cr)	(Rs/ kWh)	(MU)	(Rs Cr)	(Rs/ kWh)
Jindal Power Ltd-Bid I	1497.96	631.02	4.21	1625.24	548.22	3.37	1625.24	548.22	3.37
BALCO	748.98	338.35	4.52	786.13	287.16	3.65	786.13	287.16	3.65
Subtotal	2246.94	969.37	4.31	2411.37	835.38	3.46	2411.37	835.38	3.46
* Energy at ex bus									

As above, the Commission approves Rs.835.38 Cr towards the purchase of 2411.37MU exbus from the approved DBFOO contracts in the Year 2024-25.

IX. Power purchase from un-approved DBFOO contracts

5.79 KSEB Ltd submitted that the Commission vide the ARR&ERC Order dated 25.06.2022 had not permitted to schedule power from the following four unapproved DBFOO contracts during the control period from 2022-23 to 2026-27.

(i) 115MW of Power from Jhabua power Ltd of L2 of Bid-1,
(ii) 150 MW from Jindal Power Ltd of (L4 of Bid-2),
(iii) 100MWfrom Jindal India Thermal Power Ltd (L2 of Bid-2) and
(iv) 100 MW of power from Jhabua Power Ltd (L3 of Bid-2).

In order to avoid any power shortage and other contingencies, the Commission permitted KSEB Ltd to make necessary arrangements for procuring 465 MW of equivalent power on medium term basis through competitive bidding as per Section 63 of the Electricity Act, 2003.

In the ARR&ERC order the Commission provisionally allowed the cost of power purchase for the 3363.29MU of power at Kerala periphery in lieu of the four unapproved DBFOO contracts in the Year 2024-25 at a total cost of Rs 1399.13 Crore at the average tariff @Rs 4.16/unit.

5.80 KSEB Ltd further submitted that, In November 2022, the licensee has invited tender for procuring 500 MW RTC power on medium term basis for 5 years on FOO basis from generators having linkage coal with commencement of supply from April 2023. The tender was floated in DEEP portal with Bid start date on 04.11.2022 with e-Tender No. KSEBL/Medium/Coal from Linkage Coal/22- 23/ET/179 and e-reverse auction No. KSEBL/Medium/Coal from Linkage Coal/22-23/RA/173.

However, the bids was cancelled due to lack of response from bidders.

5.81 Subsequently, in July 2023, another bid was invited for the procurement of 500MW RTC power through DEEP portal on medium term basis for a period of 5 years. Two bidders participated in the bid. However, the rate discovered was Rs 6.88/unit. Hence, KSEBL cancelled the bid.

5.82 Another tender was floated on 23.12.2024 for procuring 500MW RTC power for 15 years under SHAKTI policy on DBFOO basis, with PFC Consulting Limited (PFCCL) as transaction advisor.

Two bidders participated in the bids, however the L1 rate discovered was Rs 6.39/unit for the offered quantum of 125MW, and the L2 rate was Rs 6.52/unit for the quantum of 305MW.

Due to the high rate, KSEBL cancelled the bids.

5.83 KSEBL further submitted that, despite best efforts, KSEBL could not enter into medium term/ long term contracts for power in lieu of the unapproved DBFOO contracts due to high discovered rates. Hence, KSEBL was constrained to avail power from alternate options including short term contracts/ exchanges at comparatively higher rates.

5.84 Commission has noted the submission of KSEBL.

X. Power purchase through Medium Term Contracts

5.85 KSEB Ltd submitted that, inorder to meet the demand in summer months, the licensee had made contract through the trader M/s PTC Ltd to procure 270MW RTC power on medium term basis for the period from January to June in a year for three years with the date of commencement of supply from 01.01.2022 onwards. The base rate offered was Rs.3.31/unit, which is subject to escalation to reflect 50% variation in WPI. The Commission vide the Order dated 07.10.2021 had granted approval for the power purchase.

5.86 The Commission vide the ARR&ERC Order dated 25.06.2022 had approved to schedule 484.04MU at Kerala periphery, at a total cost of Rs.162.15 Cr @Rs.3.35/unit at exbus.

But the actual schedule was 450.16 MU at Kerala periphery at a total cost of Rs. 181.21 Cr @Rs.4.04/unit.

5.87 KSEB Ltd submitted that, the increase in tariff over the base rate is due to the following,

(1) As per the PSA, the fixed charge is Rs 1.63/kWh, which is constant throughout the contract period. The variable charge is escalated according to the Clauses 11.6.2, 11.6.3 and 11.6.4 of the PSA.

(2) As per the Clause 11.6.4 of the PSA, the variable charges as on the Bid date is Rs 1.63/unit. The variable charge is escalated by the variation in WPI from January 2019 to January 2023.

(3) KSEBL claimed that, they had remitted Rs 86.23 Cr towards energy charges, Rs 1.95 Cr towards energy charge and Rs 14.62 crore towards TGNA charges during 2024-25..

5.88 The details of the power purchase through Medium Term Contract for the year 2024-25 is given below.

Table 5.44
Details of the power purchase through Medium term contracts

Sl No	Particulars	Quantum
1	Energy at exbus (MU)	466.13
2	Energy at Kerala periphery(MU)	450.16
3	Capacity charges (Rs Cr)	78.91
4	Energy Charges (Rs Cr)	86.23
5	Incentive (Rs Cr)	1.95
6	Damages (Rs Cr)	
7	TGNA charges (Rs.Cr)	14.62
	Total Power Purchase Cost(Rs Cr)	**181.71**

KSEBL requested to approve the power purchase from Medium Term contracts as above.

Analysis and Decision of the Commission

5.89 The Commission vide the Order dated 07.10.2021 had granted approval for the procurement of 270 MW RTC power for the months from January to June for three years from January 2022 onwards.

The Commission vide the ARR&ERC Order dated 25.06.2022 has granted approval for the procurement of 484.04 MU at Kerala periphery at a total cost of Rs.162.15 Cr @Rs 3.35/unit. **However, the actual power purchase was 450.16 MU at Kerala periphery at a total cost of Rs.181.71 Cr at an average cost of Rs.4.04/unit**.

The Commission has also examined the reasons submitted by KSEB Ltd for the variation in the tariff over the tariff adopted for estimating the cost of power purchase vide the ARR&ERC Order dated 25.06.2022.

As per the details submitted by KSEBL, base variable charge was increased from Rs 1.63/unit to Rs 1.85/unit due to the variation of WPI.

Further, there is increase in energy charge due to the import of coal within the permissible limit allowed by MoP, GoI.

The Commission after examining the details of the power purchase from medium term contracts as detailed above, has decided to approve the power purchase of 450.16 MU at Kerala periphery at a total cost of Rs. 181.71 Cr as above.

XI. Power purchase from short-term contracts

5.90 KSEB Ltd submitted that, to meet the increase in demand, the licensee had entered into short term power purchase arrangements through DEEP portal with traders from April-2024 to March-2025, with the approval of the Commission.

Details of the approval granted by the Commission for the short term power purchase is given as Annexure 5.6 of this Order.

5.91 The month wise details of the short term power purchase including cost incurred from each approved sources is given as **Annexure 5.7**of this Order.

5.92 Summary of the month wise details of the short term power purchase in the Year 2024-25 is given below.

Table 5.45
Month wise details of the short term power purchase and cost claimed for the Year 2024-25

Month	Quantum	Energy scheduled (MU)		Cost	Avg Tariff at Kerala periphery
		at Ex bus	at Kerala periphery		
	(MW)	(MU)	(MU)	(Rs.Cr)	(Rs/ kWh)
Apr-24	510	314.18	300.37	225.85	7.52
May-24	485	301.47	291.48	219.87	7.54
Jun-24	60	14.22	13.73	9.95	7.25
Jul-24	50	2.00	1.93	1.90	9.85
Oct-24	325	216.01	209.16	131.67	6.30
Nov-24	400	264.04	253.93	148.37	5.84
Dec-24	400	264.73	254.43	148.32	5.83
Jan-25	400	272.47	261.34	155.25	5.94
Feb-25	200	120.92	116.22	71.22	6.13
Mar-25	300	198.54	190.76	119.12	6.24
Total		1968.57	1893.35	1231.52	6.50

In addition to the above, KSEBL has claimed Rs 4.376 Crore towards open access charge for M/s Sree Cements pertaining to April-2025.

KSEBL requested to approve the short term power purchase as detailed above.

Analysis and Decision of the Commission

5.93 The Commission has examined the details of the short-term power purchase in the Year 2024-25. The Commission has granted approvals for all the short term power purchase claimed by KSEBL as detailed in **Annexure 5.6 of this Order.**

5.94 As discussed in the preceding paragraphs, KSEB Ltd has purchased a total quantum of 1893.35 MU at Kerala periphery in the Year 2024-25 at the total cost of Rs 1231.52 crore at the average rate of Rs 6.50/unit.

5.95 In addition to the above, KSEBL has claimed Rs 4.376 crore towards open access charges for SREE Cements pertaining to April 2025. Since this cost pertains to the power purchase for the Year 2025-26, this expenses cannot be considered as part of the cost of power purchase for the year 2024-25.

5.96 Commission after appraising the entire matter in detail, ***here by approve the purchase of 1893.35 MU at Kerala periphery at the total cost of Rs. 1231.52 Cr with an average tariff of Rs 6.50/unit in the year 2024-25.***

XII. Power purchase from Energy exchanges

5.97 KSEBL submitted that, to meet the electricity demand, KSEBL has purchased power from power exchanges during the year 2024-25. Summary of the month wise details of the power purchase through exchanges during the year 2024-25 is given below.

Table 5.46
Monthwise details of the power purchase from Exchanges

Month	Total quantity			Short term Open access charges paid to NOAR	Total amount paid (incl. OA charges)	Avg. rate
	Quantum (ex bus)	Amount	Avg. rate			
	(MU)	(Rs. Cr)	(Rs/ kWh)	(Rs.Cr)	(Rs.Cr)	(Rs/ kWh)
Apr-24	496.97	444.46	8.94	9.43	453.89	9.13
May-24	461.96	451.08	9.76	0.00	451.08	9.76
Jun-24	247.69	161.71	6.53	0.00	161.71	6.53
Jul-24	191.53	98.26	5.13	0.00	98.26	5.13
Aug-24	199.86	95.71	4.79	0.00	95.71	4.79
Sep-24	386.43	177.53	4.59	0.00	177.53	4.59
Oct-24	26.43	17.98	6.80	10.94	28.92	10.94
Nov-24	170.20	61.05	3.59	5.30	66.35	3.90
Dec-24	195.48	65.97	3.38	5.07	71.04	3.63
Jan-25	246.52	86.42	3.51	4.94	91.36	3.71
Feb-25	237.48	96.00	4.04	18.76	114.76	4.83
Mar-25	166.53	69.99	4.20	-0.46	69.53	4.17
Total	3027.08	1826.15	6.03	53.98	1880.14	6.21
	3027.08	1826.15	6.03		1880.14	

Reason and circumstances for the month wise power purchase from exchanges is given as Annexure-5.8.

5.98 KSEBL has purchased power from the various portfolios of the exchanges including Day Ahead Martket (DAM), Green DAM (GDAM), Real Time Market (RTM) and Term Ahead Market (TAM) through the three exchanges IEX, PXIL and HPX during the Year 2024-25. Details are given in the Table below.

Table 5.47
Summary of power purchase from Exchanges

Particulars	SR periphery	KSEBL periphery	PGCIL loss
Power exchanges	MU	MU	MU
IEX			
DAM	748.47	720.27	28.19
TAM	103.84	100.24	3.59
RTM	1172.84	1130.26	42.59
GDAM	0.49	0.47	0.02
Subtotal	2025.64	1951.24	74.39
PXIL			
TAM	638.63	616.60	22.03
RTM	0.82	0.79	0.03
Subtotal	639.45	617.39	22.06
HPX			
TAM	361.99	349.71	12.28
Subtotal			
IEX	2025.64	1951.24	74.40
PXIL	639.45	617.39	22.06
HPX	361.99	349.71	12.28
Total Power purchase	3027.08	2918.34	108.74

5.99 Details of the cost of power purchase from various exchanges is given below.

Table 5.48
Cost incurred for purchase of power through exchanges

Source	Energy at generator bus	Energy at KSEB periphery	PP Cost
	MU	MU	Rs Cr
IEX	2025.64	1951.24	859.84
PXIL	639.45	617.39	560.03
HPX	361.99	349.71	329.01
Transaction charges for Purchase of Power through power exchange			5.9
Transmission charges			125.34
Application fee for purchase of power through power exchange			0.07
Subtotal	3027.08	2918.34	1880.17
Rate at Exbus (Rs/kWh)	6.21		
Rate at Kerala periphery (Rs/kWh)	6.44		

5.100 KSEBL also submitted, the average price discovered in the power exchange during different time zones of the Year 2024-25. The details are given below.

Table 5.49
Variation of IEX DAM rate during different time periods

Month	RTC	Evening	Day	Night	Morning
	(Rs/ kWh)	(Rs/ kWh)	(Rs/ kWh)	(Rs/ kWh)	(Rs/ kWh)
Apr-24	5.29	7.04	3.03	6.71	4.13
May-24	5.29	7.48	3.25	6.57	3.37
Jun-24	4.99	6.80	2.93	6.43	3.39
Jul-24	4.83	7.41	2.43	5.75	3.53
Aug-24	4.27	6.89	2.25	4.60	3.29
Sep-24	4.19	7.12	2.25	3.08	3.08
Oct-24	3.92	6.21	2.44	3.91	3.11
Nov-24	3.30	4.90	2.43	2.71	3.43
Dec-24	3.89	5.26	3.20	2.40	5.68
Jan-25	4.44	5.91	3.39	2.51	7.44
Feb-25	4.38	5.38	3.22	3.10	7.16
Mar-25	4.67	7.29	2.43	4.59	4.80

Analysis and Decision of the Commission

5.101 Commission has examined in detail the short term power purchase through power exchange during the Year 2024-25 as detailed in the preceding paragraphs. The total power purchase through exchange was 3027.08 MU at generator bus and 2918.34 MU at Kerala periphery. The total power purchase through exchange was about 11.42% of the total power purchase of 25554.51MU for meeting the electricity requirement of the State in the Year 2024-25.

5.102 The quantum of purchase and cost incurred for the power purchase from the different portfolios of the exchange is given below.

Table 5.50
Power purchase from the different portfolios of the Power Exchanges

Portfolio	Quantity		Amount		Avg. rate	Short term OA charges	Avg rate including short term OA charges
	(MU)	(%) of total	(Rs. Cr)	(%) of total	(Rs/kWh)	(Rs. Cr)	(Rs/ kWh)
DAM	748.47	24.73%	332.54	18.21%	4.44	53.98	6.21
RTM	1173.66	38.77%	483.23	26.46%	4.12		
TAM	1104.45	36.49%	1010.27	55.32%	9.15		
GDAM	0.49	0.02%	0.12	0.01%	2.41		
Total	3027.08	100.00%	1826.15	100.00%	6.03		

It can be seen that, the average rate of power purchase from the Exchanges is about Rs 6.21/unit at exbus. KSEBL reported that, the losses associated with the power purchase is 108.74MU. Thus, the total per unit cost of power purchase from exchanges during the Year 2024-25 is Rs 6.443/unit.

5.103 As above, out of the total power purchase from exchanges, about 64% of the

power purchase is from DAM and RTM portfolios, with the rate of power purchase from DAM @ Rs 4.44/unit and RTM @Rs 4.12/unit.

However, KSEBL had purchased 1104.45 MU (36.49% of the total purchase from exchanges) from Term Ahead Market (TAM) and its average cost is Rs 9.15/unit. The cost of power purchase from TAM was about 115% higher the average rate of power purchase from DAM and RTM port folios.

5.104 Commission has also examined the month wise details of power purchase from DAM, RTM, GDAM and TAM during the years 2024-25. Details are given in the subsequent paragraphs.

(1) Power purchase from Day Ahead Market (DAM).
Month wise details of purchase from DAM is given below.

Table 5.51
Power purchase from DAM during the Year 2024-25 from IEX only

Month	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Variation over avg.rate
Apr-24	68.30	49.16	7.20	62.0%
May-24	1.83	1.69	9.25	108.1%
Jun-24	0.05	0.05	10.16	128.6%
Jul-24	67.21	34.07	5.07	14.1%
Aug-24	38.66	23.18	6.00	35.0%
Sep-24	82.74	39.82	4.81	8.3%
Oct-24	5.42	4.93	9.11	105.0%
Nov-24	64.10	21.67	3.38	-23.9%
Dec-24	84.70	27.98	3.30	-25.6%
Jan-25	98.99	32.85	3.32	-25.3%
Feb-25	144.27	57.92	4.01	-9.6%
Mar-25	92.19	39.22	4.25	-4.3%
Total	748.47	332.54	4.44	0.0%

As above, KSEBL had purchased 748.47 from DAM of Exchanges at an average rate @Rs 4.44 /unit in the Year 2024.25. It is noticed that, though the average rate was only Rs 4.44/unit, however in some months especially in first half of the FY 2024-25, rate is much higher than the second half of the Year 2024-25.

It is also noted that, entire power purchase from DAM is through IEX only and there was no purchase through other trading platform such as PXIL and HPX.

(2) Power purchase from Real Time Market (RTM).
Month wise details of purchase from RTM is given below.

Table-52
Month wise details of power purchase through Real Time Market (RTM)

Month	IEX			PXIL			Total			Variation over avg.rate
	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	
Apr-24	72.16	38.02	5.27				72.16	38.02	5.27	28.0%
May-24	8.43	5.33	6.33				8.43	5.33	6.33	53.8%
Jun-24	21.24	8.78	4.13				21.24	8.78	4.13	0.4%
Jul-24	110.04	49.93	4.54				110.04	49.93	4.54	10.2%
Aug-24	149.04	60.35	4.05	0.59	0.59	9.97	149.63	60.94	4.07	-1.1%
Sep-24	259.21	107.39	4.14				259.21	107.39	4.14	0.6%
Oct-24	20.78	12.81	6.16	0.23	0.23	10.20	21.01	13.04	6.21	50.8%
Nov-24	106.10	39.38	3.71				106.10	39.38	3.71	-9.9%
Dec-24	110.77	37.99	3.43				110.77	37.99	3.43	-16.7%
Jan-25	147.54	53.57	3.63				147.54	53.57	3.63	-11.8%
Feb-25	93.20	38.08	4.09				93.20	38.08	4.09	-0.8%
Mar-25	74.34	30.77	4.14				74.34	30.77	4.14	0.5%
Total	1172.84	482.41	4.11	0.82	0.82	10.03	1173.66	483.23	4.12	0.0%

KSEBL has purchased 1172.84MU from RTM @Rs 4.11/unit through IEX and 0.82MU @ 10.03/unit through PXIL during the year 2024-25.

(3) Power purchase from Term Ahead Market (TAM).

Month wise details of purchase from TAM is given below.

Table 5.53
Power purchase from TAM during the Year 2024-25

Month	IEX			PXIL			HPX			Total		
	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)	Quantity (MU)	Amount (Rs. Cr)	Avg. rate (Rs/ kWh)
Apr-24	0.00	0.00	0.00	272.13	271.57	9.98	83.89	85.59	10.20	356.01	357.16	10.03
May-24	11.58	11.83	10.22	227.86	224.94	9.87	212.27	207.28	9.76	451.71	444.06	9.83
Jun-24	80.24	52.57	6.55	118.18	77.69	6.57	27.99	22.62	8.08	226.40	152.88	6.75
Jul-24	7.81	7.82	10.02	0.70	0.68	9.75	5.78	5.75	9.94	14.29	14.25	9.97
Aug-24	3.11	3.12	10.02	1.99	1.99	10.02	6.46	6.48	10.02	11.56	11.59	10.02
Sep-24	1.10	1.05	9.56	17.78	12.19	6.85	25.60	17.09	6.68	44.48	30.33	6.82
Oct-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jan-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feb-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mar-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	103.84	76.40	7.36	638.63	589.06	9.22	361.99	344.81	9.53	1104.45	1010.27	9.15

As above, during the Year 2024-25, KSEBL has purchased 1104.45 MU at an average rate of Rs 9.15/unit. It is further noted that, out of the total power purchase through TAM, about 94% is during the first quarter of the Year 2024-25 from April-2024 to June 2024.

It is also noticed that, the rate of power purchase from TAM market is extremely high, and about 114% higher than the rate determined through DAM & RTM market.

Further, the exchange platform such as PXIL and HPX is actively involved in transaction through TAM compared to DAM and RTM market.

(4) Power purchase from Green Day Ahead Market (GDAM).
KSEBL has purchased 0.49MU from GDAM through IEX during the month of April-2024 at the average rate of Rs 2.41/unit.

5.105 The summary of the moth wise details of power purchase from Exchanges during the Year 2024-25 is given as Table 5.45 above.

5.106 The abstract of the power purchase from each Exchanges during the Year 2024-25 is given below.

Table 5.54
Summary of the power purchase from Exchanges during the Year 2024-25

Name of the exchange	Energy at Ex bus		Amount		Avg. rate	OA charges paid to NOAR (Rs.Cr)	Avg rate including OA charges (Rs/ kWh)
	(MU)	(%) of total	(Rs. Cr)	(%) of total	(Rs/ kWh)		
IEX	2025.64	66.9%	891.47	48.82%	4.40	53.98	6.21
PXIL	639.45	21.1%	589.88	32.30%	9.22		
HPX	361.99	12.0%	344.81	18.88%	9.53		
Total	3027.08	100.0%	1826.15	100.00%	6.03		

As detailed in the above tables, it can be seen that, about 66.90% of the total power purchase through Exchanges was from IEX, and the cost share was 48.82% with an average rate of 4.40/unit. However, the average rate of power purchase from other two exchanges are much higher than the rate determined through IEX.

5.107 Summary of the power purchase from each portfolio through different exchanges is given in the Table below.

Table -55
Summary of power purchase through different exchange portfolio in the Year 2024-25

Source	IEX			PXIL			HPX			Total		
	Quantum	Cost	Avg. rate	Quantum	Cost	Avg. rate	Quantum	Cost	Avg. rate	Quantum	Cost	Avg. rate
	(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs Cr)	(Rs/ kWh)	(MU)	(Rs Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs/ kWh)
DAM	748.47	332.54	4.44	0.00	0.00		0.00	0.00		748.47	332.54	4.44
RTM	1172.84	482.41	4.11	0.82	0.82	10.03	0.00	0.00		1173.66	483.23	4.12
TAM	103.84	76.40	7.36	638.63	589.06	9.22	361.99	344.81	9.53	1104.45	1010.27	9.15
GDAM	0.49	0.12	2.41							0.49	0.12	2.41
Total	2025.64	891.47	4.40	639.45	589.88	9.22	361.99	344.81	9.53	3027.08	1826.15	6.03
OA charges paid to NOAR											53.98	
Total										3027.08	1880.14	6.21

5.108 Since the establishment of the Power Exchanges in 2008, the Commission has been permitting the licensee to purchase electricity from the exchanges through day ahead market and real time market for meeting contingency, and also for optimizing the cost of power purchase.

In this regard, the Regulation 78(3) of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 provide as follows;

"78. Short-term power procurement.-
The distribution business/ licensee may enter into a short-term power procurement agreement or arrangement under the following circumstances subject to the ceilingtariff approved by the Commission for this purpose: -

(i) where the distribution business/ licensee is able to source new short-termsource of supply from which power can be procured at a tariff that reducesits approved total power procurement cost;

(ii) when faced with emergency conditions that threaten the stability of the distribution system or when formally directed to do so by the State Load Despatch Centre to prevent grid failure;

(iii) where the tariff for power procured under such agreement or arrangement is in accordance with the guidelines for short-term procurement of power by distribution licensees through tariff-based bidding process issued by theCentral Government;

(iv) when there is a contingency situation and power purchase price is within the ceiling price as prescribed by the Commission in the distributionlicensee's ARR&ERC;

(v) procurement of short-term power through power-exchange; and

(vi) Procurement by way of exchange of energy under 'banking' transactions:

Provided that prior approval of the Commission and the ceiling rate; shall not be applicable to the short term purchases under clause (ii).

Provided further that prior approval of the Commission is not required for short term purchases under clause (v) above, so long as the average rate is withinthe ceiling rate."

As detailed above, Commission has permitted short-term power purchases including the power purchase from power exchanges subject to the ceiling tariff approved by the Commission in the orders on ARR approved from time to time.

As per the provisions of the Tariff Regulations, 2021, prior approval of the Commission is required for short-term power purchases. However, second proviso to Regulation 78(3) Tariff Regulations 2021 specified that, prior approval of the Commission is not required for the short-term power purchases through 'Power Exchanges' so long as the average rate of power purchase through exchanges is within the ceiling rate.

As detailed in Table 6.109 of the MYT Order dated 25.06.2022, the average cost of power purchase approved by the Commission for the Year 2024-25 was Rs 4.70/unit. During the past, KSEBL is allowed to purchase power from the Exchanges at a rate higher than the average cost of power purchase, provided the overall cost of power purchase is within the average rate approved by the Commission. However, the average rate of power purchase from exchanges especially TAM is much higher than the average cost of power purchase. Hence, KSEBL is duty bound to seek permission of this Commission while opting for power purchase through Exchanges at the excessive rate, especially about 1104.45MU @Rs 9.15/unit. However, approval of the same was not sought by KSEBL before filing this petition.

During the past, the Commission had allowed the purchase of power from Exchanges through DAM and RTM without prior approval considering the reason that the prices and quantum of electricity traded are determined in these portfolios through a double-sided closed auction, anonymous bidding process. Any Buyers and Sellers who are grid connected entities and have valid standing clearance from respective SLDC/RLDC can participate in DAM/RTM.

But, the bidding process in TAM is different and not through anonymous bidding, and the price derived in the TAM market is noted as there in the DAM/RTM market. Due to these and other reasons the prices in the TAM are much higher than the DAM/RTM markets.

5.109 Commission has also examined the monthly details of the price of electricity transacted through different portfolios of the power exchanges during the Year 2024-25, as per the Market Monitoring Report published by CERC for the Year 2024-25, and the details are given below.

Table 5.56
Price of power exchange transactions of electricity in 2024-25

Month	DAM	G-DAM	RTM	TAM
	(Rs/ kWh)	(Rs/ kWh)	(Rs/ kWh)	(Rs/ kWh)
Apr-24	4.63	4.08	4.79	9.36
May-24	4.79	3.86	4.66	8.88
Jun-24	4.63	4.06	4.63	8.49
Jul-24	4.55	4.29	4.30	7.67

Aug-24	4.13	3.69	3.33	7.29
Sep-24	4.28	3.81	3.70	7.01
Oct-24	4.03	3.60	3.66	6.73
Nov-24	3.52	3.19	3.43	5.36
Dec-24	3.87	3.92	3.81	5.65
Jan-25	4.40	4.64	4.24	5.75
Feb-25	4.35	4.59	4.22	6.00
Mar-25	4.22	4.31		6.67

Source: CERC Market monitoring report 2024-25

As discussed in the previous paragraphs, the price of electricity transacted through Term Ahead Market (TAM) of the power exchanges is much higher than the price of electricity transacted through DAM and RTM. In certain periods, the prices in the TAM is more than double than that in DAM and RTM markets. It seems that, generators and traders are utilizing the TAM as an avenue for profiteering when power deficit situations prevailing in the country.

Considering all these aspects in detail, ***the Commission herby direct KSEBL that, henceforth any purchase through TAM shall be either within the average rate of power purchase approved by the Commission, otherwise only after getting prior approval of the Commission for purchase of power through TAM with appropriate ceiling rate approved by the Commission. Non compliance of the direction may results in disallowances of the excess cost incurred over the average cost of power purchase approved by the Commission in the orders on ARR of the relevant years concerned.***

5.110 Commission has also noted the huge quantum of power procured through TAM in the months of May-2024 and June-2024. KSEBL had arranged 451.71MU @10.03/unit in the month of May-2024 and 226.40MU @Rs 9.83/unit in the month of June 2024.

It is also noted that, KSBEL has surrendered 86.3 MU from CGS, 15.50MU from Maithon and DVC stations and 46.8MU from DEEP purchase in the month of May-2024. Similarly, 41.90MU from CGS and 13.70MU from DEEP purchase also surrendered in the month of June 2024. But the opportunity cost of savings of surrendered power is less than Rs 3.25/unit.

KSEBL also sold 228.74MU outside the State @Rs 7.05/unit in May-2024. The average rate of sale of power outside the State also much less than the purchase of power from TAM.

If due care and market appraisal is done based on the past data, the losses on account of the purchase through TAM can be avoided to a greater extent.

5.111 Commission also noted that, KSEBL has not been giving due importance for implementing ‘Demand Side management’ and to create awareness among the electricity consumers to regulate the electricity consumption especially

during peak hours upto 11:30pm in the night, and also to promote the electricity usage during day time.

Commission vide the letter dated 11.12.2025 has directed KSEBL to submit a comprehensive report on the DSM activities adopted in the Year 2024-25 to restrict the excessive rise in peak demand and to reduce the electricity consumption during peak hours. But as per the details submitted by KSEBL on 02.02.2026, it appears no concrete and concerned efforts had been taken on this matter through the involvement of the electricity consumers of the State.

5.112 Commission has examined the entire aspects in details. Considering the extraordinary and unforeseen power situation happened in the Year 2023-24 and the same continued till middle of May 2024, and the TAM purchase was arranged in good faith for meeting the electricity demand of the State without load shedding and power restrictions, the Commission has decided to approve the power purchase through power exchanges including the purchase through TAM in the year 2024-25. However, this approval may not be treated as a precedence in the future.

5.113 With the above observation, comments and directions, the Commission hereby approve the power purchase from Power Exchanges made during the Year 2024-25. The details are given below.

Table 5.57
Details of the power purchase though Power Exchanges approved in the Year 2024-25

Source	Energy at generator bus	Energy at KSEB periphery	PP Cost
	MU	MU	Rs Cr
IEX	2025.64	1951.24	859.84
PXIL	639.45	617.39	560.03
HPX	361.99	349.71	329.01
Transaction charges for Purchase of Power through power exchange			5.9
Transmission charges			125.34
Application fee for purchase of power through power exchange			0.07
Subtotal	3027.08	2918.34	1880.17
Rate at Exbus (Rs/kWh)	6.21		
Rate at Kerala periphery (Rs/kWh)	6.44		

Power availed through swap arrangements

5.114 KSEBL submitted that, it had entered into banking transactions during the year 2024-25 with the approval of the Commission to meet the electricity demand of the State. The details of the swap arrangements made by KSEBL during the Year 2024-25 is given as Annexure-5.9 of this Order.

5.115 The details of the power received through banking transactions during the Year 2024-25 is given below.

Table 5.58
Power received through SWAP during the Year 2024-25

Utility	Trader	Period	Duration	Energy received		
				Exbus	Kerala periphery	PGCIL Loss
				MU	MU	MU
PSPCL	APPCPL	1st to 15th Apr	200 MW RTC	69.60	67.06	2.54
MPPCML	MPSEB	9th to 31st Jul	0-19 hrs :-upto 100 MW;	29.08	28.02	1.05
			19-24 hrs:-upto 200 MW			
PSPCL		Nov'24 to Mar'25	100 MW RTC	62.25	59.82	2.43
BYPL	APPCPL	Dec-24	150 MW RTC	101.52	97.58	3.94
CSPDCL	MPL	Dec'24, Jan'25	18.00 to 24.00 hours and 00.00 hrs to 2.00 hours-150 MW	65.76	63.16	2.60
CSPDCL	MPL	Feb-25	100 MW RTC	50.40	48.44	1.96
CSPDCL	APPCPL	Feb-25	100 MW RTC	67.20	64.59	2.61
BYPL	APPCPL	Feb-25	75 MW RTC; 50 MW from 18.30 hours to to 24.00 hours	58.10	55.84	2.26
BYPL	APPCPL	Mar-25	200 MW from 00.00 to 2.00 hours; 50 MW from 18.30 hours to to 24.00 hours	20.93	20.10	0.82
UPPCL	GNA OTC	Mar-25	400 MW 19.00 to 24.00 hours and 00.00 hrs to 5.00 hours	124.00	119.13	4.87
UPPCL		Mar-25	upto 500 mW on peak hours	102.30	98.29	4.01
PSPCL	MPL	16 to 31st March	200 MW RTC	60.61	58.28	2.32
Total				811.74	780.31	31.42

5.116 KSEBL further submitted that, the licensee had returned 914.412 MU during 2024-25 as part of banking transactions details are given below.

Table 5.59
Power returned through banking transactions during the Year 2024-25

Particulars	Energy (MU)
Delhi-BYPL	-181.20
UPPCL	-80.64
PSPCL-APPCPL	-574.04
MPPCPL	-30.53
CSEB-MPL	-48.00
Sub Total	-914.41

5.117 KSEBL further submitted that, as part of the optimum utilization of the surplus power, KSEBL entered into for advance swap transactions during 2024-25 for return during 2025-26. Its summary is given below.

Table 5.60
Advance swap supply for return in 2025-26

Particulars	Energy (MU)
KSEBL-PSPCL	-111.08
KSEBL-PSPCL thru APPCPL	-48.84
KSEBL-PSPCL thru MPL	-142.20
Sub Total	-302.11

5.118 The month wise details of the SWAP transactions during the year 2024-25 is given below.

Table 5.61
Monthwise details of the SWAP transactions during 2024-25

Month	SWAP purchase during thae year 2024-25	SWAP Return Outside the State		
		SWAP return for purchase during 2023-24 & 2024-25	Advance Supply for return in 2025-26	Total supply by KSEBL in the Year 2024-25
	(MU)	(MU)	(MU)	(MU)
Apr-24	69.6	0.0	0.0	0.0
May-24	0.0	0.0	-98.9	-98.9
Jun-24	0.0	-172.0	-12.2	-184.2
Jul-24	29.1	-200.0	-48.8	-248.8
Aug-24	0.0	-315.6	0.0	-315.6
Sep-24	0.0	-196.4	-142.2	-338.6
Oct-24	0.0	0.0	0.0	0.0
Nov-24	0.0	-30.5	0.0	-30.5
Dec-24	126.0	0.0	0.0	0.0
Jan-25	24.5	0.0	0.0	0.0
Feb-25	192.5	0.0	0.0	0.0
Mar-25	370.1	0.0	0.0	0.0
Total	811.7	-914.4	-302.1	-1216.5

5.119 KSEBL submitted that, it had incurred an amount of Rs 8.37 Cr towards expenditure for banking transactions including open access charges, trading margins.

KSEBL also submitted that, a provision of Rs (-) 208.90 Cr was provided in the account towards the cost of power to be returned during 2024-25 as part of banking arrangements. KSEBL further submitted that, Commission in the earlier years had taken the consistent stand that, actual cost only approved under this head and not considered the provisions in the account towards banking transactions.

Hence, KSEBL claimed Rs 8.37 crore towards the power arranged through SWAP arrangements, and requested to approve the same.

Analysis and Decision of the Commission

5.120 The Commission has examined the banking transactions in the year 2024-25 as detailed in the previous paragraphs. As detailed under Annexure 5.9 of this Order, all the banking transactions including the return in the year 2024-25 was approved by the Commission.

5.121 In the process of Truing Up, KSEBL has claimed the expenses associated with SWAP transactions amounts to Rs 8.37 Crore.

With the above observation, the Commission hereby approve the 811.74MU at ex-bus (780.31MU at Kerala periphery after counting the PGCIL line loss of 31.43MU) through banking arrangements.

Commission also approve the cost of Rs 8.37 Crore incurred for the swap transactions during the Year 2024-25.

XIII. Deviation settlement mechanism (DSM)

5.122 KSEB Ltd in the Truing up petition submitted that, it had availed 435.60 MU and exported 104.70 MU through deviation settlement mechanism in the Year 2024-25. The month wise details of the energy transaction through DSM in the year 2024-25 is given below.

Table 5.62
Energy transaction through DSM in the year 2024-25

Month	Import in MU	Export in MU	Net Deviation in MU	Net Amount (Rs.Cr)	Avg. rate (Rs/ kWh)
Apr-24	45.38	-5.89	39.49	9.61	2.43
May-24	28.58	-13.95	14.63	15.35	10.49
Jun-24	34.37	-10.01	24.36	8.19	3.36
Jul-24	40.46	-10.24	30.22	11.73	3.88
Aug-24	41.90	-13.30	28.60	12.25	4.28
Sep-24	30.81	-5.34	25.47	3.84	1.51
Oct-24	24.96	-7.13	17.84	12.65	7.09
Nov-24	34.80	-6.02	28.78	5.76	2.00
Dec-24	41.07	-6.78	34.30	15.10	4.40
Jan-25	40.62	-8.17	32.45	12.27	3.78
Feb-25	34.04	-7.74	26.30	12.81	4.87
Mar-25	38.61	-10.14	28.47	20.17	7.08
Total	**435.60**	**-104.70**	**330.90**	139.73	4.22

KSEB Ltd further submitted that, an amount of Rs.139.74 Cr was expended for power transfer through deviation settlement mechanism, and is accounted under cost of power purchase.

Since the DSM is a grid balancing mechanism to enforce the grid discipline, the Commission hereby approve the energy transaction through DSM as above. The Commission also approve the amount of Rs. 139.74 Cr incurred for DSM transactions during the year 2024-25.

XIV. Energy sale outside the State

5.123 KSEB Ltd submitted that, it had sold 395.70MU of power through exchanges during the Year 2024-25 for a total amount of Rs 296.71 Cr @Rs 7.50/unit, as against the approved quantum of 316.23MU for Rs.118.59 Cr. The details of the revenue through surplus sale is detailed separately under 'Revenue from surplus sale outside the State'.

KSEB Ltd submitted that it had incurred an amount of Rs. 0.9961Cr as expenditure for the sale arranged through power exchanges.

Analysis and Decision of the Commission

5.124 The Commission has examined the energy sale through exchanges as discussed above.

The Commission has discussed in detail the revenue from sale of surplus power outside the State as part of revenue from sale of power in paragraph 5.198 of this order. However, the expenditure of Rs.0.9961 crore incurred by KSEBL for arranging the sale of power outside the State is accounted as part of cost of power purchase for the year 2024-25.

Accordingly, the Commission hereby approve the expenditure of Rs.0.9961 Cr incurred for the sale of surplus power outside the State.

XV. Interstate Transmission charges

5.125 KSEB Ltd submitted that, the Commission vide the ARR&ERC Order dated 25.06.2022 had approved Rs.760.55 Cr towards interstate transmission charges for the year 2024-25. The actual interstate transmission charges incurred in the year 2024-25 as per the audited accounts is Rs.1259.48 Cr.

KSEB Ltd submitted that, the increase in transmission charges during 2024-25 was mainly due to the impact of CERC(Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as well as inclusion of the transmission charges for Raigarh-Pugalur -Thrissur HVDC line and other transmission assets.

CERC in June 2022 had notified the CERC (connectivity and General Network Access to the Inter State Transmission System) Regulations, 2022 (herein after referred to as GNA Regulations 2022, which replaced the CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter State Transmission and related matters) Regulations, 2009. As per the GNA Regulations, the beneficiaries has to pay transmission charges based on the GNA capacity instead of energy usage. KSEBL further submitted that, on implementation of the GNA Regulations, the inter-State transmission charges payable by Kerala has increased by about 80% compared with previous methodology.

5.126 Raigarh- Pugalur- Trissur HVDC system is a critical link between SR and New Grid and is being utilised to import power to SR and to export RE Power. This transmission system was constructed with a total capital investment of more than Rs 20,000 crore.

As per the transmission tariff approved by the CERC vide the Order dated 30.10.2023 pursuant to the Judgment of APTEL dated 18.07.2023, 50% of the transmission tariff of this system is shared among the SR beneficiaries and balance 50% is shared on all India basis with effect from 27.10.2023 onwards. At present, transmission tariff of one pole out of the four pole only started billing by PGCIL. The transmission charges may increase once the tariff orders of all poles are approved by CERC.

5.127 KSEBL further submitted that, Hon'ble APTEL had ordered that, transmission charges of the Pugalur- Thrissur portion has to be borne by Kerala alone since Kerala is the only beneficiary and hence same cannot be treated at par with Raigarh-Pugalur portion. KSEBL filed appeal before Hon'ble Supreme Court against the judgment of APTEL.

Analysis and decision of the Commission

5.128 The interstate transmission charges are governed by the Regulations and Orders of CERC issued from time to time.

This Commission noted that, the interstate transmission charges claimed by KSEB Ltd for the year is about Rs 0.50 per unit compared to about Rs 0.31/unit payable prior to the implementation of GNA Regulations, 2022.

The main reasons for the excessive increase in transmission charges are due to the following;

(1) Impact of the GNA Regulations, 2022 and
(2) Inclusion of the transmission charges of Raigarh- Pugalur- Thrissur HVDC transmission system, which was constructed with a total cost of Rs.20,000.00 Cr.

5.129 CERC, in compliance of the directions of the Hon'ble APTEL, vide the Order dated 30.10.2023 in Petition No. 685/TT/2020 has decided that, '50% of the transmission charges of the Raigarh-Pugalur HVDC shall be shared under National component and the balance under the Regional component. However, this changes will come into force w.e.f 26.10.2023 only, i.e., from the date of effect of the CERC (Sharing of Inter-State Transmission Charges and Losses) (Third Amendment) Regulations, 2023 published in the official gazette.

5.130 CERC vide the same Order dated 30.10.2023 in Petition No. 685/TT/2020 has directed PGCIL to avail fund from the PSDF/NCEF in order to reduce the burden of recovering the excessive capital cost of the project from the consumers through transmission tariff.

However, CERC vide the Order observed that, though the Central Commission vide the previous Order dated 29.09.2022 has directed to avail the grant from PSDF/ NCEF, PGCIL has not taken genuine efforts for the same. The relevant portion of the Order of the CERC is extracted below.

"Issue No 4.: Status of funding for the instant asset from PSDF/ NCEF?

141. The Commission, vide order dated 29.9.2022, in the instant petition, gave the following directions:

"117. We have considered the submissions of the Petitioner, KSEB and BESCOM. The Commission is aware of the fact that capital investments of the instant transmission scheme/transmission project is huge. The Commission feels that there is a strong necessity to share the burden of capital cost of transmission scheme by way of assistance from the PSDF by way of one-time

grant. Accordingly, we direct the Petitioner to take up the matter with the Monitoring Committee of the PSDF for assistance in the form of one time grant from the PSDF and with Ministry of Power for grant to reduce the burden of transmission charges on the DICs. We, in the facts and circumstances of the present case, are of the considered view that Ministry of Power, Government of India to arrange for funds from PSDF as well as Government grant, considering the benefits that would accrue to the power sector and the economy of the country."

142. KSEBL, TANGEDCO, and Karnataka Discoms have submitted that, considering the importance of this asset for renewable energy integration, the funding from PSDF/National Clean Energy Fund be used to reduce the Yearly Transmission Charges of the project.

143. KSEBL has further submitted that the Petitioner has not made any genuine efforts to avail the grant on par with the BNC-Agra HVDC link. In the case of the BNC- Agra HVDC link, the Petitioner had sought a grant for 50% of the capital cost to be covered by the funding from PSDF, whereas in the case of the Raigarh-PugalurThrissur HVDC transmission system, the Petitioner sent letters to the PSDF funding agency seeking funding only to the extent of 15%. This discriminatory approach adopted by the Petitioner in the case of the subject transmission system as compared to the BNC-Agra HVDC link is entirely arbitrary and impermissible.

144. Other region beneficiaries, such as UPPCL, MSEDCL, and BSPHCL, have submitted that if at all the subject HVDC transmission system is brought under the National Component-HVDC, the Commission may direct the Petitioner to take all the necessary steps to get some part of the recovery of its investment cost through the PSDF / NCEF so as to reduce the ultimate burden on the consumers. This would usher in a win-win situation for the Petitioner as well as the beneficiaries.

145. We have considered the submissions of the Respondents. Considering the huge investment cost of about Rs. 22,000 Cr, all the beneficiaries have requested that the Commission issue directions to the Petitioner to seek grants from PSDF/NCEF so that the tariff burden on beneficiaries is reduced. We had directed the Petitioner to approach PSDF funding vide our Order dated 29.9.2022. We observe that no submissions have been made by the Petitioner in regard to efforts made by the Petitioner to avail grant from PSDF. Further, the Petitioner has not responded to the submissions made by the Respondents, in its rejoinder, which shows the casual approach of the Petitioner in not paying heed to the said suggestion of Respondents. We once again direct the Petitioner to approach the PSDF Committee within a month of the issue of this order and make sincere efforts to avail of sufficient grant from PSDF so that the tariff burden on the beneficiaries is reduced."

5.131 Commission has noted that, this matter is still pending before various forums. In this matter, CERC vide the latest Order dated 19.07.2025 in petition 173/TT/2021 with IA No. 92/2023 and Petition No. 242/TT/2021 with IA No. 91/2023 has examined the status of availing PSDF grant to 'Raigarh- Pugalur HVDC system in detail. Relevant paragraphs are extracted below for getting clarity on the issue.

"Issue No.4: What is the status of funding for the transmission assets of the present case from PSDF/NCEF?

118. TANGEDCO has contended that in the case of the Biswanath-Chariali –Agra HVDC system, the tariff was approved by the Commission in Petition No. 67/TT/2015 only after availing a grant from PSDF by the Petitioner. Further, based on the Commission's directions, MoP vide letter dated 10.3.2017 sanctioned a grant to the BNC-Agra HVDC project. TANGEDCO had also requested the Commission to direct the Petitioner to avail the grant from MoP. However, the Petitioner did not take any action to avail of the grant. Subsequently, the matter was deliberated on in various SRPC meetings, and the Petitioner was requested to take urgent action to avail of the grant. In this regard, TANGEDCO vide letter dated 14.11.2022, requested the Petitioner to avail a grant from MoP. This was reiterated by TANGEDCO vide letter dated 18.5.2023.

119. KSEBL has also contended that, considering the importance of the transmission assets for renewable energy integration, the funding from PSDF / NCEF deserves to be used to reduce the Yearly Transmission Charges of the project. KSEBL has further contended that the Petitioner has not taken any genuine efforts to avail the grant(s) in the instant cases, while on the other hand, the Petitioner had made considerable efforts to seek grant(s) for reducing the transmission charges for the BNC-Agra transmission system. In the case of BNCAgra, the Petitioner had sought a grant for 50% of the capital cost, whereas in the case of the present transmission system, it has sent letters to the PSDF funding agency seeking a grant of only 15% of the capital cost. KSEBL has further contended that the Petitioner should be directed to take steps to avail of the grant of capital costs from PSDF / NCEF, which is at par with the grant availed there in the BNC-Agra HVDC system.

120. The Petitioner has contended that tariff determination has to be on the entire capital cost. The adjustment in the capital cost has to be made only when the actual grant is received and is to be given effect in terms of the mandates of the grant. The Petitioner was serious in its efforts and kept the SR beneficiaries informed of the developments through various letters and in RPC forums. Further, a reminder was also sent to the PSDF Committee by the Petitioner vide letter dated 8.6.2023. In response to the said reminder, the PSDF Committee Member from NLDC vide its letter dated 15.6.2023 informed that the issue of the grant was discussed in the 30th meeting of the Appraisal Committee held on 16.3.2023. It was learnt from the Minutes of the Appraisal Committee that it was decided not to consider this proposal till the directions of the Ministry of Power are received on the same. The matter was accordingly being pursued with the MoP.

121. Further, the Petitioner has submitted with regard to a grant from the PSDF/NCEF, that on 6.5.2024, a meeting was convened under the Chairmanship of the Joint Secretary (Trans.), MoP to discuss the provisions related to the grant of funds for the Raigarh-Pugalur-Trichur HVDC project. During the meeting, the Petitioner apprised MoP regarding the PSDF/MoP grant applied for the RaigarhPugalur-Trichur Transmission System and requested MoP to expedite the release of the grant. Additionally, on 29.8.2024, a meeting was also held under the Chairmanship of the Additional Secretary (Trans.), MoP to discuss the possibility of 100% reverse power flow from Pugalur to Raigarh. During the said meeting, CEA apprised MoP regarding the PSDF grant applied for the Raigarh-Pugalur-Trichur Transmission System. In the said meeting, the Petitioner apprised the members regarding the directions of the Commission concerning obtaining a grant from the PSDF fund.

122. We think it proper here to refer to our orders dated 22.2.2023 and 16.2.2023 in the Petition Nos. 173/TT/2021 and 242/TT/2021, respectively, wherein the following was observed:

> *Order dated 22.2.2023 in the Petition No. 173/TT/2021 and Order dated 16.2.2023 in Petition No. 242/TT/2021*
>
> *"100. We have already considered the submission of the Petitioner and Respondents in the order dated 29.9.2022 in Petition No. 685/TT/2020 and held that these is a necessity to share the burden of capital cost of transmission scheme by way of assistance from the PSDF and directed the Petitioner to take up the matter with the Monitoring Committee of the PSDF/Ministry of Power (MoP) . The relevant extract of the above order dated 29.9.2020 is as follows: 117. We have considered the submission of the Petitioner, KSEB and BESCOM. The Commission is aware of the fact that the capital investment of the instant transmission scheme/transmission project is huge. The commission feels that there is a strong necessity to share the burden of capital cost of the transmission scheme by way of assistance from the PSDF by way of one time grant. Accordingly, we direct the Petitioner to take up the matter with Monitoring Committee of the PSDF for assistance in the form of one-time grant from the PSDF and with Ministry of Power for grant to reduce the burden of transmission charges on the DICs. We, in the facts and circumstances of the present case, are of the considered view that Ministry of Power, Government of India to arrange for funds from PSDF as well as Government grant, considering the benefits that would accrue to the power sector and the economy of the country."*

123. We have carefully considered the contentions of the Petitioner and the Respondents and perused the record. We are of the considered view that the instant matters involve a substantial cost of approximately ₹22,000 crore. Accordingly, we once again direct the Petitioner to approach the Ministry of Power (MoP) and earnestly pursue the matter for availing an adequate grant from the Power System Development Fund (PSDF), with a view to mitigating the tariff burden on the beneficiaries."

5.132 PGCIL is the petitioner in the above matters. Since the matter is affecting the financials of the beneficiaries, they have to take take up the matter with the Minsistry of Power GoI to get adequate grant from Power System Development Fund (PSDF).

5.133 Considering the huge impact of the Raigarh-Pugalur – Thrissur HVDC system in the 'inter-State transmission tariff', KSEB and State Government, in coordination with the Other State Governments and their power utilities may take up the matter with Ministry of Power, Government of India to get sufficient allocation of PSDF grant to Raigarh-Pugalur – Thrissur HVDC system, so that its impact on the inter-State Transmission tariff of the Southern power utilities may get reduced.

Further, KSEBL may file a petition before the CERC in coordination with the other Southern Power Utilities impleading them as respondents, with the prayer to defer a part of the payment of transmission tariff of the project till the

PGCIL and MoP,GoI allocate sufficient grant for the project from PSDF or from other appropriate funding mechanism earmarked by Central Government for the development of Inter-State Transmission system in the Country.

5.134 With the above observations and directions, ***the Commission is constrained to approve the amount of Rs 1259.48 crore claimed by KSEB Ltd towards the inter-state transmission charges as per the audited accounts for the year 2024-25 for the purpose of Truing up for the year 2024-25.***

Summary of the cost of power purchase for the Year 2024-25

5.135 The summary of the cost of power purchase approved for the year 2024-25, as detailed in the preceding paragraphs is given below.

Table 5.63
Summary of the power purchase and cost approved for the Year 2024-25

Sl No	Particulars	Energy schedule				Cost		
		KSEBL claim		KSERC approval		True Up	KSERC Approval	Dis allowance
		Energy scheduled at Ex bus	Energy at Kerala periphery	Energy scheduled at Ex bus	Energy at Kerala periphery			
		(MU)	(MU)	(MU)	(MU)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Central Generating Stations (CGS)	11986.40	11565.80	11986.40	11565.80	5312.55	5312.55	0.00
2	Small IPPs within the State	641.78	641.78	641.78	641.78	220.46	220.46	0.00
3	200MW Wind power from SECI	189.89	189.89	189.89	189.89	54.88	54.88	0.00
4	Solar Power purchase from sources outside the State	1105.03	1105.03	1105.03	1105.03	267.11	267.11	0.00
5	Energy purchase from prosumers and captive consumers @APPC	217.30	217.30	217.30	217.30	38.21	38.21	0.00
6	Fixed cost of RGCCPP- KYLM					94.42	86.10	8.32
7	LTA- Maithon & DVC stations	3148.68	3033.93	3148.68	3033.93	1401.26	1401.26	0.00
8	LTA - Approved DBFOO contracts	2411.37	2323.25	2411.37	2323.25	835.38	835.38	0.00
9	Power purchase through Medium Term contracts	466.13	450.16	466.13	450.16	181.71	181.71	0.00
10	Power purchase through short term contracts	1968.57	1893.35	1968.57	1893.35	1235.90	1231.52	4.38
11	Power purchase through Exchanges	3027.08	2918.34	3027.08	2918.34	1880.17	1880.17	0.00
12	Deviation settlement	435.60	435.60	435.60	435.60	139.74	139.74	0.00
13	Power purchase through banking/swap during the year	811.74	780.31	811.74	780.31	8.37	8.37	0.00
14	Interstate Transmission charges					1259.48	1259.48	0.00
15	Cost assosiated with sale of surplus power					1.00	1.00	0.00
16	Total Power purchase and cost	26409.57	25554.74	26409.57	25554.74	12930.63	12917.93	12.70
17	SWAP return during the Year 2024-25		1216.50		1216.50			
18	Less Sale outside the State		395.70		395.70			
19	UI Export		104.70		104.70			
20	Net Power Purchase for the year 2024-25		23837.84		23837.84	12930.63	12917.93	12.70

O&M Expenses

5.136 KSEB Ltd submitted in their petition that, O&M Expenses of SBU-D comprises of Employee Expenses, R&M expenses and A&G expenses. The Commission vide the ARR&ERC Order dated 25.06.2022 has approved the O&M expenses of SBU-D as Rs. 3830.59Cr for the Year 2024-25, which comprised of Rs 3243.20 Cr towards employee expenses and A&G expenses, and Rs.587.40 Cr towards R&M expenses. The actual O&M expenses of KSEB Ltd as per the audited accounts is Rs.4679.31 Cr for the year 2024-25. The summary of the O&M expenses claimed by KSEB Ltd is given below.

Table 5.64
Summary of the expenses claimed by KSEB Ltd for the year 2024-25

No	Particulars	Approved	As per accounts	True up claim	Variation of true up claim from approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Employee Cost & A&G Expenses	3243.19	4408.19	3305.11	61.92
2	R&M Expenses	587.4	272.12	708.19	120.79
3	Total	3830.59	4680.31	4013.3	182.71

5.137 KSEB Ltd further submitted that, the Commission vide the Tariff Regulations 2021, has specified that the O&M expenses shall be allowed only as per the norms specified in the Regulations. The normative employee cost and A&G expenses of SBU-D is specified in terms of number of consumers, number of distribution transformers, length of HT lines, LT lines and energy sales. The R&M expenses of SBU-D is specified in terms of the Gross Fixed Asset of KSEB Ltd.

5.138 The parameters of FY 2024-25, taken for computing normative O&M expenses for FY 2024-25 as per the Tariff Regulations, 2021 are given below.

Table 5.65
KSEB petition- Normative O& M expenses for 2024-25

No	Parameters	Quantity
	Norms	
1	No. of consumers (Rs. Lakh/1000)	4.68
2	Dist Transformers (Rs. Lakh/DTr)	0.92
3	Length of HT line (Rs. Lakh/km)	0.91
4	Length of LT line (Rs. Lakh/km)	0.2
5	Energy sales (Rs/unit)	0.21
	Parameters for FY 2023-24	
6	No. of consumers for FY 2023-24	13864176
7	No. of Dist Transformers (Nos)	89947
8	Length of HT Line (Km)	72171.99
9	Length of LT line (km)	305135
10	Energy sales in MU	27680.22

5.139 In the Tariff Regulations 2021, an escalation rate of 4.454% is considered for determining the norms for the control period 2022-27. However, Annexure-7 of Tariff Regulations, 2021 allows the actual escalation rates based on actual inflation existing for each year of control period at the time of Truing Up of Accounts to be considered for the financial year while approving the O&M

expenses. The actual inflation rates during the period from 2021-22 to 2024-25 is given in the Table below.

Table 5.66
Escalation rate based on actual inflationary index for FY 2024-25

Sl No	Escalation factors/year	2021-22	2022-23	2023-24	2024-25
1	CPI Industrial Workers)2001=100	356.06	377.62	397.25	410.64
2	Annual CPI Increase (%)	5.13	6.05	5.19	3.37
3	WPI(2011-12) series	139.4	152.5	151.4	154.9
4	Annual WPI Increase (%)	12.97	9.4	-0.72	2.31
5	CPI: WPI (70:30) weightage (%)	7.48	**7.06**	**3.41**	3.05

5.140 Based on the above, the norms to be considered based on actual escalation rate for FY 2024-25 @3.05% is given in the Table below.

Table 5.67
Normative O&M expenses for 2024-25

No	Parameters	Norms for FY 2021-22	Escalation Rate from 2022-23	Norms for FY 2022-23	Escalation Rate for FY 2023-24	Norms for FY 2023-24	Escalation Rate for FY 2024-25	Norms for FY 2024-25
1	No. of consumers (Rs. Lakh/1000)	4.1	7.06	4.389	3.41	4.539	3.05	4.68
2	Dist Transformers (Rs. Lakh/DTr)	0.809	7.06	0.866	3.41	0.896	3.05	0.92
3	Length of HT line (Rs. Lakh/km)	0.801	7.06	0.858	3.41	0.887	3.05	0.91
4	Length of LT line (Rs. Lakh/km)	0.175	7.06	0.187	3.41	0.194	3.05	0.2
5	Energy sales (Rs/unit)	0.181	7.06	0.194	3.41	0.2	3.05	0.21

5.141 The normative O&M expenses based on the norms arrived by KSEB Ltd is given below.

Table 5.68
Normative Employee expenses and A&G expenses for 2024-24

No	Parameters	Quantity
	Norms	
1	No. of consumers (Rs. Lakh/1000)	4.68
2	Dist Transformers (Rs. Lakh/DTr)	0.92
3	Length of HT line (Rs. Lakh/km)	0.91
4	Length of LT line (Rs. Lakh/km)	0.20
5	Energy sales (Rs/unit)	0.21
	Parameters	
6	No. of consumers	13864176
7	No. of Distribution Transformers (11& 33 kV)(Nos)	89962
8	Length of HT Line (Km)	70615.85
	Length of LT line (km)	305135
9	Energy sales in MU	27680.22
10	**Employee, A&G Cost (Rs Cr)**	**3305.11**

5.142 KSEB Ltd further submitted that, as per Annexure-7 of the Tariff Regulations,2021, the R&M expenses of the 'distribution licensee' is specified as follows.

The R&M expenses for the distribution licensees is benchmarked at 4% of value of opening Distribution gross fixed assets (excluding the value of land and land under lease) as on Ist April of respective financial year.

Based on the above, KSEB Ltd has estimated the normative R&M expenses as follows.

Table 5.69
Normative R&M expenses claimed by KSEB Ltd for the year 2024-25

Particulars	Amount (Rs Cr)
Opening GFA as on 01.04.2023 (Rs Cr.)	17727.46
Less land	22.73
R& M @ 4% on opening GFA	708.1892

5.143 KSEBL also submitted that, the Commission vide the Order dated 25.01.2022 had approved the allowable staff strength at 30321 nos and ordered that the revised numbers will be considered since 01.04.2022. Since the Tariff Regulations 2021 was finalized before approving the allowable staff strength at 30321 Nos, KSEB Ltd has arrived at the normative employee cost and A&G expenses as follows.

Table 5.70
Normative Employee cost and A&G expenses estimated for employee strength at 30321 Nos.

No	Parameters	Quantity
1	No. of consumers (Rs. Lakh/1000)	5.01
2	Dist Transformers (Rs. Lakh/DTr)	0.99
3	Length of HT line (Rs. Lakh/km)	0.98
4	Length of LT line (Rs. Lakh/km)	0.21
5	Energy sales (Rs/unit)	0.22
6	No. of consumers (Nos)	13864176
7	No. of Dist Transformers (Nos)	89962
8	Length of HT Line (Km)	70615.81
9	Length of LT line (km)	305135
9	Energy sales in MU	27680.22
10	**Employee, A&G Cost (Rs Cr)**	**3537.61**

Analysis and Decision of the Commission

5.144 The Commission had examined in detail the O&M expenses of SBU-D of KSEBL as per the audited accounts and its claim in the Truing up as per the provisions of the Tariff Regulations, 2021. The details are discussed in the following paragraphs.

5.145 O&M expenses of SBU-D includes the following expenses, namely,

(i) Employee expenses,

(ii) Administration and General expenses (A&G expenses), and
(iii) Repair and Maintenance Expenses (R&M expenses).

5.146 The Commission vide the Tariff Regulations, 2021, has specified the norms for O&M expenses for each SBUs of KSEB Ltd separately. The norms are arrived based on the O&M expenses including 'employee expenses, A&G expenses and R&M expenses' approved for True up of the year 2018-19.

5.147 The various provisions in the Tariff Regulations 2021 with respect to the O&M expenses is discussed under paragraph 6.132 to 6.137 of this Order.

Employee Expenses & A&G expenses as per Norms

5.148 Based on the actual inflation, the revised norms for approving the employee cost and A&G expenses for the Year 2024-25 is given under Table 6.59 of this Order. The relevant table is extracted below.

Table 5.71
Norms for employee cost and A&G expenses based on actual inflation from 2021-22 to 2024-25

No	Parameters	Norms for FY 2021-22	Escalation Rate for 2022-23	Norms for FY 2022-23	Escalation Rate for FY 2023-24	Norms for FY 2023-24	Escalation Rate for FY 2024-25	Norms for FY 2024-25
1	No. of consumers (Rs. Lakh/1000)	4.100	7.06%	4.389	3.41%	4.539	3.05%	4.678
2	Dist Transformers (Rs. Lakh/DTr)	0.809		0.866		0.896		0.923
3	Length of HT line (Rs. Lakh/km)	0.801		0.858		0.887		0.914
4	Length of LT line (Rs. Lakh/km)	0.175		0.187		0.194		0.200
5	Energy sales (Rs/unit)	0.181		0.194		0.200		0.207

5.149 The Commission has examined the distribution parameters adopted for estimating the employee cost and A&G expenses as per the ARR&ERC Order dated 25.06.2022 and the actuals for the Year 2024-25.

The Commission noted that, the energy sale claimed by KSEBL for normative O&M cost is 27680.22MU, which include the surplus energy sale of 71.27MU through power exchanges. However, surplus sale through exchanges cannot be considered while approving the O&M cost of SBU-D since it is not a distribution activity and the expenses associated with the same is claimed under cost of power purchase. Further, sale outside the State is not considered as normal business activity.

However, during the Year 2023-24, prosumers has consumed 495.74 MU from KSEBL grid during non solar hours, which was purchased/ generated by KSEBL. Since these energy was adjusted against the surplus energy banked

by these prosumers during day time under net metering, the same was not reflected in the energy sale of KSEBL, however KSEBL has to incur O&M expenses for these energy transaction also.

Since, as per the prevailing RE Regulations, no wheeling charges is allowed for the energy banked by prosumers under net metering facility, the Commission is of the view that, KSEBL is eligible to claim this quantum of the energy sale also for claiming O&M expenses . Accordingly, the energy sale to be considered for approving O&M cost of SBU-D for the Year 2024-25 is as given below.

Table-5.72

Energy sale for the Year 2023-24 arrived for approving O&M cost of SBU-D for the Year 2024-25

	Particulars	Quantum (MU)
1	Energy sale for the year 2023-24	27603.44
2	Energy consumed by prosumers from the KSEBL grid and adjusted against surplus energy banked under net metering	495.74
3	Total	28099.18

5.150 A comparison of the distribution parameters adopted vide the MYT Order dated 25.06.2022, the actuals claimed by KSEBL and the same adopted by the Commission for approving the O&M expenses is given below.

Table 5.73

Distribution parameters for estimating employee expenses and A&G expenses

No	Parameters	ARR&ERC Order dated 25.06.2022	KSEBL claim	Adopted by the Commission
1	No. of consumers as on 31.03.2024	13947361	13864176	13864176
2	Dist. Transformers (Nos) as on 31.03.2024	88504	89947	89947
3	Length of HT line (ckt.km) as on 31.03.2024	70744	72171	72171
4	Length of LT line (ckt.km) as on 31.03.2024	300155	305135	305135
5	Energy sales (MU) for the Year 2023-24	25698	27680	28099

5.151 Based on the parameters and norms as discussed above, the consolidated 'employee expenses and A&G expenses' allowable as per the Tariff Regulations, 2021 for the Year 2024-25 is given below.

Table 5.74

Normative 'employee expenses and A&G expenses' allowable for the year 2024-25

	Particulars	Allowable expenses (Rs. Cr)
1	Linked to the number of consumers	648.43
2	Linked to distribution transformers	827.51
3	Linked to HT lines	656.76
4	Linked to LT lines	610.27
5	Linked to energy sales	578.84
	Total	3321.81

Repair and Maintenance (R&M) expenses allowable as per norms

5.152 As per the paragraph 2(c)(vii) of the Tariff Regulations,2021, the R&M expenses for the distribution business is benchmarked at 4.0% of the value of the opening Gross Fixed Asset of the Distribution SBU (excluding the value of land and land under lease) as on 1st April of the respective financial year.

The Commission vide the Order dated 30.06.2025 in petition OP No. 49/2024 had approved the GFA of SBU-D of KSEBL as on 01.04.2024 at 17727.46 Cr. Further, KSEB Ltd has derecognized asset worth Rs.805.39 Cr from books of accounts, which was damaged due to natural calamities like Okhi and flood during the period from 2018-22.

The total value of land as on 01.04.2024, as per the Truing up petition is Rs.22.73 Cr. Thus, the net GFA eligible for claiming R&M expenses is Rs 16899.34 Crore. Based on the above, R&M expenses allowable for SBU-D of KSEB Ltd is Rs.675.97 Cr as against Rs. 708.18 Crore claimed by KSEB Ltd. Details are given below.

Table 5.75
R&M expenses allowable for the Year 2024-25 as per Tariff Regulations, 2021

Sl No	Particulars	Amount (Rs.Cr)
1	GFA of SBU-D as on 01.04.2024 (approved as per the Order dated 30.06.2025 in the matter of Truing Up of accounts for the Year 2023-24)	17727.46
2	Less Assets lost, damaged due to natural calamities including Okhi, flood etc	805.39
3	Less Land value as on 01.04.2024	22.73
4	Net GFA of SBU-D qualify for claiming R&M expenses	16899.34
5	R&M expenses @4% of the net GFA	675.97

5.153 As discussed under Table 5.73 and Table 5.74 above, the total normative O&M expenses allowable as per Tariff Regulations 2021 for the year 2024-25 is given below.

Table 5.76
Normative O&M expenses of SBU-D allowable for the Year 2024-25

No	Particulars	Approved	As per accounts	True up claim	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Employee Cost & A&G Expenses	3243.19	4408.19	3305.11	3321.81
2	R&M Expenses	587.4	272.12	708.19	675.97
3	Total	3830.59	4680.31	4013.3	3997.78

Depreciation claimed and approved for SBU-D of KSEB Ltd

5.154 The details of the approval of depreciation for the year 2024-25 is discussed under paragraphs 6.31 to 6.39 of Chapter-6 of this Order. As per Table 6.21 of this Order, the depreciation approved for SBU-D of KSEB Ltd for the year 2024-25 is Rs. 342.75 Cr.

Interest and financing charges of SBU-D for the year 2024-25

5.155 KSEB Ltd, in the Truing up petition for the Year 2024-25 has claimed Rs.1881.33 Cr towards the interest and finance charges as against Rs. 1499.43 Cr approved vide the ARR&ERC Order dated 25.06.2022, in Petition OP No. 11/2022.

Interest charges include interest on secured loans, interest on security deposit, master trust interest, interest on working capital, interest on PF balance etc. The claim of KSEB Ltd on interest and financing charges of SBU-D for the year 2024-25 is given below:

Table 5.77
KSEB petition- Interest and financing charges claimed for the year 2024-25

No	Particulars	MYT Order dated 25.06.2022	Accounts	True up claim
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on outstanding Loans	575.32	343.11	567.11
2	Less: Interest capitalized		117.06	
3	Net interest	575.32	226.05	567.11
4	Interest on Security Deposit	160.76	293.08	267.31
5	Interest on GPF	201.77	157.01	157.01
6	Other Interest		52.29	51.74
7	Interest on Master Trust Bond	441.25	456.14	456.14
8	Carrying cost on revenue gap till 2024-25	120.33		382.02
9	Interest on working capital	0.00	151.23	0.00
10	**Grand Total**	**1499.43**	**1335.80**	**1881.33**

5.156 Detailed appraisal of each item claimed under the head 'interest and finance charges' for the year 2024-25 is discussed in detail in the subsequent paragraphs.

Interest on long term loans on normative basis

5.157 The approval of the interest on long term loans on normative basis is detailed under paragraphs 6.40 to 6.48 of this Order. As per Table 6.25 , the interest on normative loan of SBU-D for the year 2024-25 is Rs.521.36 Cr as against the True Up claim of Rs 567.11 crore.

Interest on security deposit

5.158 KSEB Ltd in the petition submitted that, the Commission vide the ARR&ERC Order dated 25.06.2022 had approved interest on security deposit (SD) for the year 2024-25 at Rs. 160.76 Cr. The actual disbursement made during the year 2024-25 was Rs. 267.31 Cr.

KSEB Ltd submitted that, the reason for the variation is due to the difference in the actual security deposit as per the accounts and the provisional estimate

of the security deposit vide the ARR&ERC Order dated 25.06.2022. The actual security deposit as on 01.04.2024 was Rs.4352.01 Cr and the same at the end of the financial year 2024-25, i.e., as on 31.03.2025 was Rs. 4928.67 Cr. The actual interest on security deposit as per the provisions of the Supply Code 2014 was 6.75%.

However, while estimating the interest on security deposit vide the MYT Order dated 25.06.2022, the average security deposit considered was Rs.3557.24 Cr and the provisional interest on security deposit adopted was 4.65%.

Provisions in the Tariff Regulations 2021

5.159 Regulation 29(8) of the Tariff Regulation 2021 provides that, interest on security deposit is allowable only to the extent of actual disbursement of interest to the consumers. The relevant provisions are quoted below.

"29(8) Interest shall be allowed on the amount collected as security deposit in cash from the users of the transmission system or distribution system and the consumers, at the bank rate as on the first day of April of the financial year in which the petition is filed:

Provided that only the interest on security deposit actually paid to the users ofthe transmission system or distribution system and to the consumers during the financial year, shall only be considered at the time of truing up for the financial year."

Analysis and decision of the Commission

5.160 Since an amount of Rs. 267.31Cr has been disbursed to consumers as interest on security deposit in the year 2024-25***, the Commission hereby approves same for the purpose of truing up of accounts.***

Interest on working capital

5.161 KSEB Ltd submitted that, as per the Regulation 32(2) of the Tariff Regulations 2021, interest on working capital for SBU-D is allowed on normative basis at a rate equal to two per cent higher than the base rate as on the first day of April of the respective financial year, in respect of which Truing Up petition is filed.

The working capital of SBU-D includes O&M cost for one month, cost of maintenance of spares as 1/12th of average of the book value of stores, materials and supplies at the beginning and end of the financial year plus, receivables for two months excluding security deposit.

KSEB Ltd has computed the interest on working capital at a rate of 11.15% (9.15% (base rate) +2%) as per Regulation 32(2) of Tariff Regulations, 2021.

5.162 The computation of working capital requirement as per the Tariff Regulations, 2021 submitted by KSEB Ltd is given below.

Table 5.78
KSEB petition- Parameters for the estimation of the working capital

Sl No	Particulars	Amount (Rs Cr)
1	Normative O&M cost for FY 2024-25	4013.29
3	Additional contribution to Master Trust	333.42
4	Total O&M Cost	4346.71
5	Revenue from sale of power as per accounts for the year 2024-25	**21254.11**
6	Opening stock of inventory	1025.62
7	Closing stock of inventory	1091.97
8	Average inventory	1058.80
9	Opening Security deposit (Note 21)	4352.01

Based on the above, KSEB Ltd had estimated the working capital requirement of SBU-D for the year 2024-25 as detailed below.

Table 5.79
KSEB Petition- estimation of working capital requirement of KSEB Ltd for the year 2024-25

Sl No	Particulars	Rs Cr
1	O&M Exp for 1 month	362.23
2	Maintenance spares @ One twelfth of average of opening and closing balance of Inventory	88.23
3	Revenue (2 months)	3542.35
4	Total	3992.81
5	Less: Security deposit	4352.01
6	**Net Working Capital**	**-359.20**

Since the working capital requirement is negative, KSEB Ltd had not claimed interest on working capital for the purpose of Truing up for the year 2024-25.

Provisions in the Regulations

5.163 Regulation 32(1)(v) of the Tariff Regulations, 2021 provides for computation of working capital requirements of the distribution business/ licensee. The relevant Regulations is extracted below.

"32 (v) In the case of distribution business/ licensee the working capital shall comprise of,-

a) operation and maintenance expenses for one month; plus
b) cost of maintenance spares equivalent to one-twelfth of the average of the book value of stores, materials and supplies at the beginning and end of the financial year; plus
c) receivables equivalent to the expected revenue from sale of electricity for twomonths at the prevailing tariff:

Provided that the amount, if any, held as security deposits except the securitydeposits held in the form of Bank Guarantee from the users of the distribution system and consumers shall be reduced while computing the working capital requirement:

Provided further that, in the case of distribution business/ licensees, who are supplying electricity to their consumers on prepaid metering system, interest on working capital shall not be allowed."

Analysis and decision of the Commission

5.164 As per the Regulation 32 of the Tariff Regulations, 2021, interest on working capital is allowed on a normative basis for each business separately. The Commission has carefully examined the details furnished by KSEB Ltd.

5.165 As per Regulation 32(1)(v) of the Tariff Regulations, 2021, the working capital requirement of SBU-D of KSEB Ltd includes the following.

(1) O&M cost for one month; plus

(2) Cost of maintenance of spares *equivalent to one-twelfth of the average of the book value of stores, materials and supplies at the beginning and end of the financial year; plus,*

(3) *receivables equivalent to the expected revenue from sale of electricity for two months at the prevailing tariff:*

5.166 Accordingly, the parameters required for estimating the working capital and the same estimated is given below.

Table 5.80
Working capital requirement of SBU-D for the year 2024-25

Sl No	Particulars	Amount (Rs. Cr)
1	O&M cost of SBU-D approved for 2024-25	3997.78
2	O&M cost for one month	333.15
3	Avg Inventories (as per accounts) (Note-12)	1058.80
4	Inventories for one month	88.23
5	Total revenue from sale of power (as per accounts)	20861.91
6	Two months receivable	3476.99
7	Total working capital requirement= (2)+(4)+ (6)	3898.37
8	Less Security Deposit (Note-21) (avg for 2024-25)	4626.79
9	Net working capital requirement = (7)-(8)	-728.42

Since the working capital requirement as per the Tariff Regulations 2021 is negative, KSEB Ltd is not eligible for interest on working capital for SBU-D.

Interest charges on GPF

5.167 The approval of the interest on employees provident fund is discussed under paragraph 6.122 to 6.125 of this Order. As per Table 6.50 of this Order, the contribution of the interest on GPF balance approved for the Year 2024-25 is Rs 157.01 crore for SBU-D of KSEBL.

Interest on Master Trust Bonds

5.168 The approval of the interest on Master Trust Bonds of KSEBL is detailed under paragraphs 6.53 to 6.84 of Chapter-6 of this Order. As per Table 6.35 of Chapter-6, the contribution of interest on Master Trust Bonds of SBU-D approved for the year 2024-25 as part of Truing up is Rs.456.14 Cr.

Carrying cost for past revenue gaps

5.169 KSEB Ltd submitted that, vide the ARR&ERC Order dated 25.06.2022, the Commission had approved the carrying cost of Rs. 120.33Cr for the year 2024-25, after deducting average GPF balance from the approved revenue gap for which carrying cost is eligible.

As per the approved orders on Truing Up upto the year 2023-24, the net unbridged revenue gap as on 31.03.2024 is Rs.6645.301 Cr. The carrying cost for the approved revenue gap is claimed in this petition.

Based on the methodology followed by the Commission, average GPF balance of Rs 2518.80 Cr and security deposit over normative working capital have been excluded from the approved revenue gap to determine the net approved revenue gap eligible for carrying cost in line with the Regulation 29(9) of Tariff Regulations, 2021.

Actual average interest on loans during the year 2024-25 is 9.31%. Accordingly, KSEB Ltd has claimed Rs.382.02 Cr towards carrying cost. The details are given below.

Table 5.81
KSEB Ltd- carrying cost claimed for the Year 2024-25

Sl No	Particulars	Amount (Rs. Cr)
1	Trued up revenue gap till 31.03.2024	6645.30
2	Less: Average PF balance for 2024-25 (2511.97+2525.63) /2	2518.80
3	Less: Security deposit as per Reg 29 (9)	359.20
4	Net revenue gap (1-2-3)	3767.30
5	Carrying cost at average interest rate of 9.32% on above(A)	350.74
6	Current Year revenue Gap excluding carrying cost	672.14
7	Carrying cost on current year revenue gap at average interest rate of 9.31 % on above(B)	31.29
8	Total carrying cost(A) +(B)	382.03

Analysis and Decision of the Commission

5.170 Regulation 29(9) provides that, KSEB Ltd is eligible to claim carrying cost for the approved un-bridged revenue gap. The relevant Regulation is extracted below.

> *" 29(9) The Commission shall allow Carrying Cost on the admissible amounts, with simple interest, at the weighted average rate of interest on the licensee's loans prevailing during the relevant year:*
> *Provided that, in case the distribution licensee is holding security deposit over and above their working capital requirement, no carrying cost on such excess security deposit shall be allowed".*

5.171 As per the Regulation 29(9) of the Tariff Regulations,2021, carrying cost is allowable for the admissible revenue gap existing at the begining of the financial year concerned.

5.172 The approved unbridged gap admissible for allowing carrying cost for the Year 2024-25 is given below.

Table 5.82
Details of unbridged revenue gap as on 01.04.2024 eligible for claiming carrying cost

Sl No	Particulars	Amount (Rs. Cr)
1	Revenue gap approved as on 31.03.2024	6645.30
2	Less Avg GPF balance during the year 2024-25	2518.80
5	Less Balance Security Deposit Available in the year 2024-25 after meeting working capital requirements	728.42
6	Net revenue gap admissible for carrying cost for the year 2024-25	3398.08

5.173 Commission has been allowing interest on the entire 'provident fund amount' retained by the licensee as part of interest and finance charges, since the same has been allowed to utilize as internal resources of the utility. The average PF balance available during the year 2024-25 is Rs. 2518.80 Cr [(2511.97+ 2525.63)/2]. This amount is available with the licensee for their cash requirements. Hence as per procedure the Commission has deducted the average PF balance of Rs.2518.809 Cr for estimating the net revenue gap eligible for carrying cost to the licensee.

5.174 Commission has also allowed interest on security deposit with the licensee as per actual disbursements. After estimating the working capital requirements as per norms, the excess working capital by way of security deposit retained by the licensee is Rs. 728.42 Cr as detailed in the Table 5.81 above. Commission has already allowed interest on the entire amount held as Security Deposit, the Commission is required to deduct the excess security deposit held after meeting the working capital requirement also while allowing carrying cost for the approved revenue gap.

5.175 Hence, the Commission while calculating the carrying cost on the outstanding unbridged revenue gap as on 01.04.2024, is required to consider the availability of funds from GPF and excess security deposit held by KSEB Ltd after meeting their working capital requirements. Thus, the unbridged revenue gap eligible for carrying cost as per Table 5.82 above is Rs.3398.08 Cr.

5.176 Carrying cost is to be allowed to the licensee considering the cost of funds actually incurred for funding the revenue gap. The average interest for the loans of SBU-D claimed by KSEBL for interest on normative loan is 9.08%. Accordingly, KSEBL is eligible for the carrying cost of Rs.308.55 Cr. The details are given below.

Table 5.83
Carrying cost approved for the revenue gap as on 01.04.2024

Sl No	Particulars	Amount (Rs. Cr)
1	Net revenue gap as on 01.04.2024 eligible for claiming carrying cost	3398.08
2	Average interest rate of SBU-D claimed for the Year 2024-25 for approving interest on normative loan	9.08%
3	Carrying cost allowable for the year 2024-25	308.55

5.177 ***Thus, the Commission hereby approve the carrying cost for the outstanding unbridged revenue gap as on 01.04.2024 at Rs.308.55 Cr for the purpose of Truing up of accounts for the year 2024-25.***

Other interest

5.178 Details of the approval of the other interest is discussed under paragraphs 6.126 to 6.129 of this Order.

Commission hereby approve Rs 51.74 Cr towards other interest of SBU-D for the year 2024-25.

5.179 KSEB Ltd submitted that, the Commission has not approved any amount towards other interest in the ARR Order.

Summary of the interest and finance charges of SBU-D approved for the year 2024-25

5.180 As detailed in the preceding paragraphs, the summary of the interest and finance charges of SBU-D approved for the year 2024-25 is given below.

Table 5.84
Summary of the interest and finance charges of SBU-D for the year 2024-25

No	Particulars	Truing up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)
1	Interest on Term Loans	567.11	521.36
3	Interest on Security Deposit	267.31	267.31
4	Interest on GPF	157.01	157.01
5	Other Interest	51.74	51.74
6	Interest on Master Trust Bond	456.14	456.14
7	Carrying cost on revenue gap till 2023-24	382.02	308.55
8	Interest on working capital	0.00	0.00
9	**Grand Total**	1881.33	1762.11

As detailed above, the interest and finance charges approved for the year 2024-25 of SBU-D is Rs.1762.11 Cr against Rs.1881.33 Cr claimed by KSEB Ltd.

Repayment of Master Trust Bonds

5.181 The approval of the repayment of Master Trust Bonds was discussed under paragraphs 6.53 to 6.88 of this Order***. As per Table 6.35 under paragraph 6.84 of this Order, the repayment of Master Trust Bonds approved for the SBU-D for the year 2024-25 is Rs.339.42 Cr.***

Additional funds to the Master Trust

5.182 The approval of the additional funds to the Master Trust is detailed under paragraphs 6.85 to 6.88 of Chapter-6 of this Order. As per Table 6.36 under

paragraph 6.88 of this Order, the contribution of additional fund to the Master Trust of SBU-D for the year 2024-25 is Rs.333.42 Cr.

Return on equity

5.183 The approval of Return on Equity for the year 2024-25 is detailed under para 6.89 to 6.97 and Table 6.38 of Chapter-6 of this Order***. The Commission approves Rs.253.50 Cr towards Return on Equity of SBU-D for the year 2024-25.***

Other expenses

5.184 The details of the approval of other expenses for the year 2024-25 is detailed in the paragraphs 6.98 to 6.105 of this order.

Commission hereby approve Rs. 40.49 Cr towards other expenses of SBU-D for the year 2024-25.

Exceptional items

5.185 The approval of the exceptional items claimed by KSEB Ltd in the year 2024-25 is discussed under paragraphs *6.106 to 6.110* of the Chapter-6 of this Order.

The Commission ordered to approve Rs.18.24 Cr claimed by KSEB Ltd towards exceptional items of SBU-D for the year 2024-25.

Amortisation of software development cost by treating it as intangible asset

5.186 The analysis and decision of the Commission on the amortization of software development cost by treating it as 'intangible assets' is discussed under paragraph 6.118 to 6.121 of this Order.

Due to the reasons cited therein, the Commission decided to not to approve the proposal as part of regulatory accounts.

Claim towards refund of Solar Registration fees/ charges

5.187 KSEBL submitted that, as per Regulation No. 19(3) (vii) of the KSERC (Renewable Energy and Net Metering) Regulations, 2020, distribution licensee shall refund to the eligible consumer 80% of the registration fee collected by it, if the eligible consumer has installed the renewable energy system within the period of validity of registration. KSEBL has collected the registration charges and were accounted as other income in the book of accounts. The same has been considered for truing up of the respective years. During the year 2024-25, KSEBL has refunded an amount of Rs.24.18 Cr to prosumers. Since this income was considered in the truing ups in earlier, its refunds to the prosumers is being claimed as eligible expense in the truing up for 2024-25. Hon'ble Commission may kindly be approved the same.

Analysis and Decision of the Commission

5.188 Commission noted the submission of KSEBL. Solar registration charges collected from prosumers as per Regulation 19(2) of the RE Regulations 2020, in the earlier years has accounted as other income under Non Tariff Income. Further, as per Regulation 19(3)(vii) of the RE Regulations, 2020, 80% of the registration charges to the eligible consumers, who has installed RE system within the period of validity of the registration.

KSEBL submitted that, they had refunded Rs 24.18 Crore to the prosumers towards the 80% refund of registration charges in the Year 2024-25.

Since the claim is a genuine expenses, Commission hereby approve the same for the purpose of Truing Up for the Year 2024-25.

Claim towards refund of liquidated damages

5.189 Details of the approval of the claim towards liquidated damages is detailed under paragraph 6.130 to 6.131 of Chapter-6 of this Order.

Commission after appraising the entire matter in detail, has approved Rs 16.30 crore towards refund of liquidated damages of SBU-D of KSEBL for the Year 2024-25.

Non-Tariff Income

5.190 The approval of the Non-Tariff Income is detailed in paragraphs 6.111 to 6.117 of this Order. The total Non-tariff income approved for the purpose of Truing Up of SBU-D for the Year 2024-25 is Rs 959.91 Cr.

Summary of the ARR Trued Up for SBU-D for the year 2024-25

5.191 As discussed in the preceding paragraphs, the summary of the ARR approved in the process of Truing Up for the year 2024-25 is given in the Table below.

Table 5.85
Aggregate Revenue Requirement for the purpose of Truing up of SBU-D for the year 2024-25

Particulars	MYT Order dated 25.06.2022	Truing Up claim	KSERC Approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Cost of Generation (SBU-G)	734.63	714.05	461.64
Cost of Power Purchase incl RLDC charges	10716.26	12930.60	12917.93
Cost of Intra-State Transmission (SBU-T)	1706.12	1654.89	1571.62
Interest & Finance Charges	1499.43	1881.33	1762.11
Additional contribution to Master Trust	333.42	333.42	333.42
Depreciation	328.04	342.75	342.75
Normative O&M Expenses	3830.59	4013.29	3997.78
Return on equity (14%)	253.50	253.50	253.50
Other Expenses		40.49	40.49
Exceptional Items	0.00	18.24	18.24

Sharing of gains on account of higher T&D loss reduction	0.00	131.85	0.00
Recovery of past gap	850.00		0.00
Amortisation of intangible assets	0.00	10.58	0.00
Repayment of Bonds	339.42	339.42	339.42
Registration charges for solar refunded	0.00	24.18	24.18
Refund of liquidated damages	0.00	16.30	16.30
Total ARR	20591.41	22704.89	22079.38
Less Non Tariff Income	841.33	845.16	959.91
Net ARR	19750.08	21859.73	21119.47

5.192 ***As detailed above, the Net ARR of SBU-D of KSEB Ltd provisionally approved in the process of Truing up of accounts for the year 2024-25 is Rs.21119.47 Cr as against Rs. 21859.73 Cr claimed by KSEB Ltd.***

Revenue from Sale of Power

5.193 KSEB Ltd in the petition submitted that, vide the ARR&ERC dated 25.06.2022, the Commission had approved the revenue from sale of power as Rs.16642.10Cr (before effecting tariff revision) and net revenue as Rs.16611.19 Cr after deducting Rs. 30.91 Cr as power factor incentive.

Further, the Commission vide the ARR&ERC dated 25.06.2022 had approved the revision of tariff to mobilise an additional revenue of Rs.1010.94 Cr. Further, the Commission vide the interim Order dated 31.10.2023 has approved to enhance the tariff to mobilise an additional revenue of Rs 532.50 Cr. Further, vide the Order dated 05.12.2024, Commission has enhanced the tariff by about 2.40%. Additional revenue expected through the revision from 05.12.2024 to 31.03.2025 is about Rs 151.67 Crore.

The Commission vide the Order dated 31.05.2023 has approved to recover fuel surcharge amounting to Rs 248.04 Cr from June 2023 onwards. This has continued till July 2024.

As per the 19 Regulations 87 of the KSERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2023, KSEBL collected Fuel Surcharge through Automatic Recovery Mechanism, limited to a ceiling limit of 10paise per unit for the year 2024-25. Further, Commission vide order dated 25.06.2024, 24.09.2024 and 31.12.2024 has allowed to recover fuel surcharge at the rate of 9 paise per unit towards pending recovery of fuel surcharge , during the period from April-2024 to September-2024, over and above the fuel surcharge collected at the ceiling rate of Rs 0.10/unit as per Regulations 87 of the KSERC (Terms and Conditions of Tariff) (First Amendment) Regulations, 2023.

5.194 As against the approval, the actual revenue from tariff during the year 2024-25 was Rs. 20565.20 Cr. This is inclusive of fuel surcharge amounting to Rs. 481.32 Crore. The summary of the revenue from sale of power in the year 2024-25 is give below.

Table 5.86
Revenue from Sale of Power within the State during the Year 2024-25

No	Category	Energy sales		Revenue	
		MU	%	Rs Cr	%
1	LT Domestic	13873.78	49.28%	7916.84	38.5%
2	LT Commercial	4986.72	17.71%	5490.38	26.7%
3	LT Public Lighting	378.25	1.34%	206.60	1.0%
4	LT Agriculture	426.10	1.51%	153.07	0.7%
5	LT Industrial	1319.45	4.69%	1059.51	5.2%
6	HT	4804.50	17.06%	4047.96	19.7%
7	EHT	1187.24	4.22%	854.43	4.2%
9	Railway Traction	477.26	1.70%	324.03	1.6%
10	Bulk Supply	608.82	2.16%	512.38	2.5%
11	Defence Installations	86.23	0.31%		
12	Energy given to RGCCPP to meet their auxiliary consumption	6.07	0.02%		
13	Total sales (within state)	28154.41	100.00%	20565.20	100.0%
14	Interstate sale	395.70		296.71	
15	Total	28550.11		20861.91	

5.195 Category wise details of the revenue from tariff and fuel surcharge collected from consumers during the year 2024-25 is given below.

Table 5.87
Category wise details of Revenue from Sale of Power including fuel during the Year 2024-25

No	Category	Energy sales	Revenue from tariff	Fuel surcharge	Total Revenue
		MU	Rs Cr	Rs Cr	Rs Cr
1	LT Domestic	13873.78	7678.07	238.77	7916.84
2	LT Commercial	4986.72	5404.91	85.47	5490.38
3	LT Public Lighting	378.25	200.14	6.46	206.60
4	LT Agriculture	426.10	145.92	7.15	153.07
5	LT Industrial	1319.45	1028.74	30.77	1059.51
6	HT	4804.50	3974.62	73.34	4047.96
7	EHT	1187.24	834.55	19.88	854.43
9	Railway Traction	477.26	316.16	7.87	324.03
10	Bulk Supply	608.82	500.77	11.61	512.38
11	Defence Installations	86.23			
12	Energy given to RGCCPP to meet their auxiliary consumption	6.07			
13	Total sales (within state)	28154.41	20083.88	481.32	20565.20
14	Interstate sale	395.70			296.71
15	Total	28550.11	20083.88	481.32	20861.91

5.196 KSEB Ltd further submitted that, the Commission while approving the revenue from sale of power had deducted Rs 30.91 as power factor incentive. The actual disbursement of power factor incentive as per the audited accounts is Rs. 55.97 Cr. The comparison of the revenue from sale of power as per the ARR&ERC Order dated 25.06.2022 and actuals are given below.

Table 5.88
Revenue comparison- approved and actuals of the Year 2024-25

No	Category	Energy sales (MU)			Revenue (Rs. Cr)		
		Approved	Actual	Deviation	Approved	Actual*	Deviation
1	Domestic	14665.01	13873.78	-791.23	7081.52	7916.84	835.32
2	Industrial	1128.65	1319.45	190.80	842.08	1059.51	217.43
3	Agriculture	433.96	426.10	-7.86	118.47	153.07	34.60
4	Commercial	3680.23	4986.72	1306.49	3637.57	5490.38	1852.81
5	Public Lighting	310.61	378.25	67.64	150.48	206.60	56.12
6	HT Total	4272.99	4804.50	531.51	3327.61	4047.96	720.35
7	EHT Total	1316.29	1187.24	-129.05	799.99	854.43	54.44
8	Railway Traction	395.75	477.26	81.51	244.02	324.03	80.01
9	Bulk Supply	617.58	608.82	-8.76	387.56	512.38	124.82
	Defence Installations	75.51	86.23	10.72	52.80	0.00	-52.80
10	Energy given to RGCCPP to meet their auxiliary consumption			0.00	0.00		0.00
11	Total sales (within state)	26896.58	28148.34	1251.76	16642.10	20565.20	3923.10
12	Interstate sale	316.23	395.70	79.47	118.59	296.71	178.12
13	Total	27212.81	28544.04	1331.23	16760.69	20861.91	4101.22
14	Less Power Factor incentive				30.91	55.97	25.06
15	Revenue from Sale of power	27212.81	28544.04	1331.23	16729.78	20805.94	4076.16

Analysis and Decision of the Commission

5.197 The Commission has examined in detail the revenue from sale of power submitted by KSEB Ltd during the year 2024-25. KSEB Ltd has also submitted the tariff category wise sale and revenue from sale of power during the year 2024-25.

The total sale within the State was 28148.34 MU as against 26896.58 MU approved vide the ARR&ERC Order dated 25.06.2022. The total revenue from sale of power within the State is Rs. 20565.20 Cr including the fuel surcharge approved during the Year 2024-25. The revenue from tariff include the additional revenue mobilized through the tariff revision approved vide the Order dated 25.06.2022, subsequent revision vide the Order dated 31.10.2023 w.e.f 01.11.2023 and the subsequent revision vide the Order dated 05.12.2024 w.e.f 05.12.2024.

5.198 In addition to the above, KSEB Ltd had sold 395.70 MU outside the State and earned an additional revenue of Rs. 296.71 Cr. The month wise details of the surplus energy sale during the year 2024-25 is given below.

Table 5.89
Details of external sale during the year 2024-25

Month	Quantum	Income received	Avg. Rate
	(MU)	(Rs. Cr)	(Rs/ kWh)
Apr-24	2.11	1.77	8.39
May-24	228.74	161.36	7.05
Jun-24	68.62	52.63	7.67
Jul-24	18.38	12.74	6.93
Aug-24	15.03	5.77	3.84
Sep-24	0.03	0.03	10.00
Oct-24	2.72	1.94	7.13
Nov-24	1.11	0.87	7.84
Dec-24	9.66	9.65	9.99
Jan-25	30.56	31.03	10.15
Feb-25	11.18	10.27	9.19
Mar-25	7.56	8.65	11.44
Total	395.7	296.71	7.50

5.199 KSEB Ltd has to pay power factor incentive to the consumers along with the invoice for electricity consumption as per the tariff orders issued by the Commission from time to time. As per the audited accounts, KSEB Ltd has paid Rs.55.97 Cr towards power factor incentive as per the prevailing Tariff Orders notified by the Commission.

5.200 ***The Commission, after carefully examining the details furnished by KSEB Ltd, approves the revenue from sale of power as Rs. 20805.94 Cr as per the audited accounts for the year 2024-25***

Revenue gap approved for the year 2024-25

5.201 Based on the various components of the ARR discussed and approved in the preceding paragraphs, the revenue gap approved for the year 2024-25 for SBU-D is given below.

Table 5.90
Revenue gap approved for SBU-D for the year 2024-25

Particulars	MYT Order dated 25.06.2022	Truing Up claim	KSERC Approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Cost of Generation (SBU-G)	734.63	714.05	461.64
Cost of Power Purchase incl RLDC charges	10716.26	12930.60	12917.93
Cost of Intra-State Transmission (SBU-T)	1706.12	1654.89	1571.62
Interest & Finance Charges	1499.43	1881.33	1762.11
Additional contribution to Master Trust	333.42	333.42	333.42
Depreciation	328.04	342.75	342.75
Normative O&M Expenses	3830.59	4013.29	3997.78
Return on equity (14%)	253.50	253.50	253.50
Other Expenses		40.49	40.49
Exceptional Items	0.00	18.24	18.24

Sharing of gains on account of higher T&D loss reduction	0.00	131.85	0.00
Recovery of past gap	850.00		0.00
Amortisation of intangible assets	0.00	10.58	0.00
Repayment of Bonds	339.42	339.42	339.42
Registration charges for solar refunded	0.00	24.18	24.18
Refund of liquidated damages	0.00	16.30	16.30
Total ARR	20591.41	22704.89	22079.38
Less Non Tariff Income	841.33	845.16	959.91
Net ARR	19750.08	21859.73	21119.47
Revenue from Sale of Power (Net)	16729.78	20805.94	20805.94
Revenue gap	3020.30	1053.79	313.53

5.202 ***As above, the Commission hereby approve a provisional revenue gap of Rs.313.53 Cr for SBU D for the year 2024-25 against the revenue gap of Rs.1053.79 Cr claimed by KSEBL.***

CHAPTER-6
APPROVAL OF COMMON EXPENSES AND APPORTIONING THE SAME AMONG SBU-G, SBU-T AND SBU-D OF KSEBL FOR THE YEAR 2024-25

Gross Fixed Asset (GFA) Addition

6.1 The summary of the GFA addition of KSEB Ltd during the year 2024-25 is given below.

Table 6.1
Summary of capitalization during the year 2024-25 as per petition

Sl. No	SBU	CWIP as on 01/04/2024	Works executed during the year	GFA Addition	CWIP as on 31/03/2025
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Generation	1,831.19	323.33	989.11	1,165.41
2	Transmission	1,535.50	855.99	1,000.11	1,391.38
3	Distribution	512.79	2,050.40	1,507.69	1,055.50
4	GRAND TOTAL	3,879.48	3,229.73	3,496.91	3,612.29

6.2 The asset class wise details of fixed assets addition under the Strategic Business Units of SBU G, SBU T and SBU D during the year 2024-25 is given below:

Table 6.2
SBU wise -Asset class wise GFA addition for the year 2024-25

Sl. No	Description	SBU G	SBU T	SBU D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Land	0.98	6.23	0.00	7.21
2	Building	32.03	19.98	13.46	65.47
3	Hydraulic works	561.82	1.85	0.36	564.03
4	Other Civil works	90.17	50.44	9.61	150.22
5	Plant & Machinery	303.32	391.68	121.87	816.87
6	Lines, cable networks etc.	0.04	528.73	1355.49	1884.26
7	Vehicle	0.00	0.00	1.46	1.45
8	Furniture & Fixtures	0.22	0.43	1.47	2.12
9	Office equipment	0.53	0.77	3.98	5.28
10	Total	989.11	1000.11	1507.69	3496.91
11	Add: Decommissioning liability	0.09	0.26	0.40	0.75
12	GFA addition during the year-2024-	989.20	1000.37	1508.09	3497.66

As detailed above, KSEBL has claimed the GFA addition of Rs 989.20 crore for SBU-G, Rs 1000.37 crore for SBU-T and Rs 1508.09 crore for SBU-D for the Year 2024-25.

Consumer Contribution and Grants

6.3 As per the provisions of the Tariff Regulations, 2021, the assets created out of consumer contribution and grants has to be excluded for arriving the assets eligible for the estimation of interest on normative loan and depreciation. The SBU wise

details of the capital subsidies and grants received during the year 2024-25 as per the truing up petition is detailed below.

Table 6.3
SBU wise break up of Contribution & grants received during 2024-25

Sl No	Particulars	GEN	TRANS	DIST	TOTAL
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Consumer contribution		38.83	408.77	447.6
2	Capital Subsidies		77.28		
3	Grants Recd. Towards Cost of Fixed Assets	21.39	54.48	209.97	347.65
3	Others				
4	Total	21.39	170.59	618.74	810.72
5	Less : Amount received from Kfw Green Energy was reclassified and booked under 'Other Financial Liabilities' vide Note No.21 of Accounts.		15.47		15.47
	Total	21.39	155.12	618.74	795.25

6.4 Based on the above, the GFA addition for claiming interest on loan and depreciation as per the Tariff Regulations, 2021 is given below.

Table 6.4
Summary of the GFA addition of KSEB Ltd in the year 2024-25

Sl. No	Particulars	SBU G	SBU T	SBU D	TOTAL
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Addition as per Accounts	989.20	1000.37	1508.09	3497.66
2	Less: Part capitalization	6.20	69.21	0.00	75.41
3	Less: Decommissioning liability	0.09	0.26	0.40	0.75
4	Add: Part capitalization in 2017-18 but commissioned during 2024-25	0.05	0.00	0.00	0.05
5	Add: Part capitalization in 2018-19 but commissioned during 2024-25	0.00	0.00	0.00	0.00
6	Add: Part capitalization in 2019-20 but commissioned during 2024-25	0.06	0.00	0.00	0.06
7	Add: Part capitalization in 2020-21 but commissioned during 2024-25	0.00	0.00	0.00	0.00
8	Add: Part capitalization in 2021-22 but commissioned during 2024-25	0.00	0.71	0.00	0.71
9	Add: Part capitalization in 2022-23 but commissioned during 2024-25	3.43	25.79	0.00	29.22
10	Add: Part capitalization in 2023-24 but commissioned during 2024-25	11.29	12.10	0.00	23.40
	GFA addition eligible as per Regulation	997.74	969.50	1507.69	3474.93
	Less: Consumer contribution & grants	21.39	155.12	618.74	795.25
	GFA addition eligible for normative loan as per Regulation	976.35	814.38	888.95	2679.68
	Less: Land value addition (excluding the portion under part capitalisation)	0.43	6.41	0.00	6.84
	GFA addition eligible for depreciation	975.92	807.97	888.95	2672.84

Approval of GFA addition of SBU-G for the year 2024-25

6.5 KSEB Ltd has submitted the project wise analysis of the capital expenditure of SBU-G for the year 2024-25 and the details of the part capitalization of projects for the year 2024-25. The details are given in the Table 6.5 below.

KSEB Ltd further submitted that, part capitalized assets amounting to Rs.14.83 Cr during the previous years are also considered in the GFA addition for the year 2024-25. Further, decommissioning liability amounting to Rs.0.09 Cr is also not considered.

6.6 KSEB Ltd has also submitted that, after excluding part capitalized assets and decommissioning liability, the asset addition eligible as per Tariff Regulations, 2021 amounts to Rs. 997.74 Cr as detailed in Table below.

Table 6.5
GFA addition for 2024-25 eligible as per Tariff Regulation for SBU G (Rs. Cr)

		Gross fixed assets for 2024-25 as per Accounts			Part capitalized in 2024-25	Part capitalized in earlier years but considered in 2024-25								Decom. liability	TU Claim
No.	Particulars	Year biggining	Additions	Year End		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total		
1	Land & land rights	1550.11	0.98	1551.09	0.96							0.414	0.414		0.434
2	Hydraulic works	1855.72	561.82	2417.54	3.51			0				0.037	0.067		558.377
3	Building & Civil works of Power plant	845.30	122.20	967.5	0.05						3.4	0.278	3.688		125.848
4	Plant & machinery including sub-station Equipment	13993.30	303.32	14296.62	1.68						0	10.55	10.56		312.203
5	Line, cable network Etc	12.77	0.04	12.81											0.04
6	Vehicles	16.66	0.00	16.66											0
7	Furniture & fixtures	14.26	0.22	14.48		0.1							0.05		0.27
8	Office Equipment	16.82	0.53	17.35				0			0	0.01	0.05		0.58
9	Decommissioning liability	0.12	0.09	0.21										0.09	0
	Total (1) to (9)	18305.06	989.20	19294.26	6.2	0.1	0	0.1			3.4	11.29	14.83	0.09	997.74
	Enhancement in value due to revaluation	11988.98	0.00	11988.98											
	Net of enhanced in Value	**6316.08**	**989.20**	**7305.2**											

Provisions in the Regulations

6.7 As per the provisions of Tariff Regulation, 2021, only when an asset is ready and put into use, the costs relating to such assets are to be included for determination of tariff. The relevant Regulations are noted below:

- *As per the proviso to Regulation 22(2), the value of assets forming part of the project but not put to use or not in use, shall be excluded from the capital cost.*
- *As per Regulation 23(4), the assets forming part of the project cost but not put to use, shall not be approved for determination of tariff.*

- *Proviso to Regulation 28, RoE shall be allowed on the amount of equity capital approved by the Commission for the assets put to use at the commencement of the financial year.*
- *First proviso to Regulation 29(1)(b) provides that the interest and finance charges on capital works in progress shall be excluded from such consideration and will not be considered in the ARR and truing up process.*

Analysis and decision of the Commission

6.8 The Commission examined in detail the GFA addition of SBU-G claimed by KSEB Ltd in the truing up petition. The total capital cost of each of the SBUs of KSEB Ltd forms the basis for tariff determination.

6.9 In the ARR&ERC Order dated 25.06.2022, the Commission provisionally had approved the asset addition of Rs. 288.16 Cr for the SBU-G of KSEB Ltd for the year 2024-25. Subsequently, Commission vide the Order dated 21.10.2024 in petition OP No. 65/2023 had approved the asset addition of Rs 271.90 crore for the SBU-G of KSEBL for the year 2024-25.

As against the same, the total GFA addition of SBU-G as per accounts is Rs 997.74 Crore. Out of the total GFA addition of Rs 997.74 crore, Rs 570.10 crore pertains to GFA addition of Pallival Extension Scheme (60MW), Rs 254.84 crore pertains to Thottiar HEP (40MW) and Rs 11.09 crore pertains to Kuttiadi RMU works.

6.10 Regarding the approval of the asset addition of Pallivasal Extension Scheme, Commission vide the Order dated 25.06.2022 in petition OP No. 11/2022, directed KSEBL as follows;

"3.22 considering the huge delay of more than 15 years, the asset addition of Pallivasal Extension Scheme shall be appraised separately, duly considering the cost of completion, time overrun, cost overrun and other relevant factors. For appraising the same, KSEB Ltd shall file a separate petition with all relevant details including original project cost, original schedule of completion, cost of completion, time overrun, cost overrun, the increase in capital cost due to time and cost overrun etc. Till such time, ***the Commission shall not consider the GFA addition of Pallivasal Ext Scheme (60MW)."***

In compliance of the direction of the Commission, KSEBL vide the petition dated 02.02.2026 has filed a petition for the approval of the Capital Investment and GFA addition of Pallivasal Extension Scheme. Commission is in the process of approval of the Capital Investment Plan and GFA addition of Pallivasal Extension Scheme separately based on the petition filed by KSEBL. Hence, Commission has decided to defer the GFA addition of Pallivasal Extension Scheme amounts to Rs 570.10 crore for the time being.

6.11 As stated earlier, KSEBL has claimed Rs 254.84 crore towards GFA addition of Thottiyar HEP (40MW). Regarding the approval of the capital investment of Thottiyar HEP (40MW), Commission vide the Order dated 25.06.2022 in petition OP No. 11/2022 ordered as follows;

"4.42..,

The Commission has decided to allow the O&M cost for Thottiyar (40MW) project from the FY 2022-23 provisionally as claimed by KSEB Ltd. However, KSEB Ltd shall within 3 months from the date of COD, file a separate petition with all complete details of the actual cost of completion along with the time and cost overruns for the approval of the Commission.

KSEBL along with the petition dated 02.02.2026 has also sought investment approval and GFA addition of Thottiyar HEP (40MW), which was commissioned during the financial year 2024-25.

Commission is in the process of appraisal of the investment approval and GFA addition of Thottiyar HEP separately after detailed deliberations including public hearings. Hence, for the time being, Commission decided to defer the approval of the 'capital investment' and 'GFA addition' of Thottiar HEP.

6.12 KSEBL has claimed Rs 11.09 crore towards the GFA addition of Kuttiadi RMU works in the Year 2024-25.

Regarding the capital investment of the RMU work of Kuttiadi HEP, Commission vide the Order dated 25.06.2022 in petition OP No. 11/2022 ordered as follows;

" 4.48 KSEBL has also claimed O&M cost for Kuttiyadi 7.5 MW upgradation. However, KSEB Ltd is yet to seek investment approval of the scheme. Hence, for this project also, ***the Commission decided to not to allow O&M cost during the MYT period 2022-23 to 2026-27***.

KSEBL vide the petition dated 02.02.2026 has filed the petition for the approval of the capital investment an asset addition of the RMU work of Kuttiadi RMU works. Commission is in the process of appraisal of the same, and hence decided to defer the claim for the time being.

6.13 Based on the above, the GFA addition of SBU-G approved for the purpose of Truing Up of accounts of KSEBL for the Year 2024-25 is given below.

Table 6.6
GFA addition approved for SBU-G for the Year 2024-25

Sl No.	Particulars	Amount (Rs.Cr)
1	GFA addition claimed by KSEBL	997.74
2	Less	
	(i) GFA addition of Pallivasal extension	570.10
	(ii) GFA addition of Thottiyar HEP	254.84
	(iii) GFA addition of RMU works of Kuttiyadi	11.09
	(iv) Sub total	836.03
3	**GFA addition approved for the purpose of Truing Up = (1)-(2)**	**161.71**
4	Less : Consumer contribution and grants	21.39
5	**GFA addition eligible for Normative loan as per Regulations= (3)-(4)**	**140.32**
6	Less: Land value	0.43
7	**GFA addition eligible for depreciation = (5)-(6)**	**139.89**

As above, for the Year 2024-25, the GFA addition of SBU-G eligible for normative loan is Rs 140.32 crore and the same eligible for depreciation is Rs 139.89 crore.

Summary of the GFA of SBU-G as on 31.03.2025

6.14 As per the Order dated 30.06.2025 in petition OP No.49/2024, Commission had approved the GFA of SBU-G as on 31.03.2024 at Rs.6119.73 Cr. The GFA addition of SBU-G approved for the year 2024-25 is Rs. 161.71 Cr. Thus, the closing balance of GFA as on 31.03.2025 is Rs 6281.44 crore. The details are given below.

Table 6.7
Summary of GFA of SBU-G of KSEB Ltd as on 31.03.2025

Sl No	Particulars	Amount (Rs. Cr)
1	Opening level of GFA approved as on 01.04.2024 (approved vide True up Order for 2023-24 dated 30.06.2025)	6119.73
2	Asset addition approved for 2024-25	161.71
3	Closing balance of GFA as on 31.03.2025	6281.44

Approval of GFA addition of SBU-T for the year 2024-25

6.15 The details of GFA addition claimed by KSEBL as per the Tariff Regulations, 2021 for Truing Up purposes for the year 2024-25 is given below.

Table 6.8
GFA addition of SBU-T for the year 2024-25 as per Regulations

No	Assets Group	Gross fixed assets			Adjustments					Addition as per Regulations
					Part capitalised 2024-25	Part capitalized in earlier years but commissioned during 2024-25				
		Year beginning	Additions	Year end		2020-21	2021-22	2022-23	2023-24	
1	Land & land rights	523.96	6.23	530.19	0.31	0.00	0.00	0.49	0.00	6.41
2	Buildings	544.87	19.98	564.85	1.40	0.00	0.00	1.15	1.22	20.95
3	Hydraulic Works	12.07	1.85	13.92	0.00	0.00	0.00	0.00	0.00	1.85
4	Other Civil works	570.72	50.44	621.16	6.56	0.00	0.00	2.03	2.74	48.65
5	Plant & Machinery	3940.20	391.68	4331.88	10.60	0.00	0.11	20.45	4.90	406.54
6	Lines, cable networks etc.	4482.96	528.73	5011.69	50.31	0.00	0.60	1.63	3.24	483.89
7	Vehicle	12.59	0.00	12.59	0.00	0.00	0.00	0.00	0.00	0.00
8	Furniture and Fixtures	11.35	0.43	11.78	0.00	0.00	0.00	0.00	0.00	0.43
9	Office Equipment	21.13	0.77	21.90	0.03	0.00	0.00	0.04	0.00	0.78
10	Decommissioning liability	0.12	0.26	0.38	0.00	0.00	0.00	0.00	0.00	0.00
11	Gross Asset (Total (1) to (10))	10119.97	1000.37	11120.34	69.21	0.00	0.71	25.79	12.10	969.50

As detailed above, the total GFA addition claimed by KSEBL for the year 2024-25 is Rs 1000.37 crore including decommissioning liability of Rs 0.26 crore. After making adjustments for part capitalized assets in the Year 2024-25 and also for the assets partially capitalized in the previous years but commissioned in the Year 2024-25, the GFA of SBU-T claimed by KSEBL is Rs 969.50 crore.

Analysis and decision of the Commission

6.16 The Commission has examined the details furnished by KSEB Ltd on asset addition for SBU-T, as per the provisions of the Tariff Regulations, 2021.

6.17 As per the details submitted by KSEB Ltd, the total GFA addition of SBU-T during the year 2024-25 was Rs. 1000.11 crore. Out of it, Rs 558.96 crore is the asset addition of TransGrid 2.0 projects and Rs 81.15 crore is the asset addition of OPGW reliable communications.

6.18 Commission vide the letter dated 11.12.2025 has directed KSEBL to submit the details of each TransGrid projects commissioned during the Year 2024-25, along with original cost as per DPR, tendered cost, cost of completion, loans/finance availed for each project including interest rate, repayment schedule etc. KSEBL is also directed to submit a detailed report on with quantification of the benefits including cost benefit analysis with the cost of completion of each TransGrid project commissioned during the Year 2024-25. Detailed quantification on, how the commissioned project shall benefit the power system of the State.

In compliance of the directions of the Commission, KSEBL clarified that, no major TransGrid projects was commissioned during the financial year 2024-25. The amount capitalized for TransGrid project for the year 2024-25 is the interest on KIIFB loan to the extent of Rs 481.01 crore. Further, Rs 62.61 crore is the employee cost allocated for TransGrid projects.

Further, an amount of Rs 15.19 crore capitalized during the Year 2024-25 towards the 400kV GIS substation at Kottayam, which was commissioned in May 2023. Since some of the work bills of the GIS substation was approved by KIIFB only in 2024-25, the same was accounted and capitalized during the Year 2024-25.

As per the proviso to Regulation 22(2) of the Tariff Regulations, 2021, the assets put to its intended use shall only be considered as part of the GFA addition for the purpose of Truing Up and for tariff determination.

As detailed above, all the GFA addition claimed for TransGrid projects except the amount of Rs 15.19 crore capitalized in 2024-25 towards the capital cost of 400kV GIS substation Kottayam, are the interest of the KIIFB loan and employee cost of TranGid projects capitalized during the Year 2024-25. Since these projects are yet to be commissioned and put to its intended use, these amount except Rs 15.19 crore of the 400KV GIS at Kottayam, could not be considered as GFA addition for the Year 2024-25.

Accordingly out of the Rs 558.95 crore claimed towards GFA addition of TransGrid 2.0 projects, Rs 15.19 crore only considered for GFA addition of TransGrid 2.0 projects in the Year 2024-25.

6.19 Commission has also noted that, KSEBL has claimed Rs 81.15 crore towards the GFA addition of 'OPGW Reliable Communication'. Out of it, Rs 39.84 crore is the capital cost incurred in the year 2024-25.

KSEBL vide the additional submission dated 02.02.2026 clarified that, under KFON project OPGW with 48 core has been installed. Out of the 48 number of cores, 24 cores are assigned to KSEBL and the remaining 24 number of cores to KFON.

Initially, payment for the 48 core OPGW was made by KFON. Subsequently, KSEBL reimburses its portion of the amount to KFON.

6.20 The Commission has also noted that, KSEBL received Rs.170.59 Cr towards the consumer contribution and grants under SBU-T in the Year 2024-25.

6.21 Based on the above, the GFA addition of SBU-T approved for Truing up of accounts for the year 2024-25 is given below.

Table 6.9
GFA addition approved for the Year 2024-25 of SBU-T

Sl No.	Particulars	Amount (Rs.Cr)
1	GFA addition claimed by KSEBL	969.50
2	Less	
	GFA addition of TransGrid project (except capital cost of 400kV GIS substation)	543.76
3	GFA addition approved for the purpose of Truing Up = (1)-(2)	425.74
4	Less : Consumer contribution and grants	170.59
5	**GFA addition eligible for Nomative loan as per Regulations= (3)-(4)**	**255.15**
6	Less: Land value (Proportional basis)	2.82
7	GFA addition eligible for depreciation = (5)-(6)	252.33

6.22 ***As above the asset addition of SBU-T approved for the year 2024-25 is Rs. 425.74 Cr. After deducting the grants and contribution, the net asset addition for SBU-T eligible for claiming normative loan in the year 2024-25 is Rs. 255.15 Cr. After deducting the land value amounting to Rs. 2.82 crore, the GFA addition eligible for depreciation is Rs. 252.33 Cr.***

Summary of the GFA of SBU-T as on 31.03.2025

6.23 As per the Order of the Commission dated 30.06.2025 in petition OP No. 49/2024, the GFA of SBU-T as on 31.03.2024 is Rs. 9903.38 Cr. The GFA addition of SBU-T approved for the year 2024-25 is Rs. 425.74 Cr. Thus, the closing balance of GFA of SBU-T as on 31.03.2025 is Rs.9903.38 Cr. The details are given in the Table below.

Table 6.10
Summary of GFA of SBU-T of KSEB Ltd as on 31.03.2024

Sl No	Particulars	Amount (Rs. Cr)
1	Opening level of GFA approved as on 01.04.2024 (approved vide True up Order dated 30.06.2025 for the FY 2023-24)	9903.38
2	Asset addition approved for 2024-25	425.74
3	Closing balance of GFA as on 31.03.2024	10329.12

As above, the Commission hereby approve the GFA of SBU-T as on 31.03.2025 at Rs.10329.12 for regulatory purposes.

Approval of GFA addition of SBU-D for the year 2024-25

6.24 As per the audited accounts, the total value of assets capitalized during the year 2024-25 is Rs 1507.69 crore. The details are given in the following Table.

Table 6.11
GFA addition of SBU-D claimed by KSEBL for the Year 2024-25

No	Assets Group	Gross fixed Assets			Decommissioning liability	Addition as per Regulation
		Year beginning	Additions	Year End		
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Land & land rights	22.73	0.00	23.09		0.00
2	Buildings	150.85	13.46	164.31		13.46
3	Hydraulic Works	0.13	0.36	0.13		0.36
4	Other Civil works	37.44	9.62	47.06		9.62
5	Plant & Machinery	3229.23	121.87	3350.61		121.87
6	Lines, cable networks etc.	13996.83	1355.49	15240.46		1355.49
7	Vehicle	14.03	1.45	15.49		1.45
8	Furniture and Fixtures	53.86	1.47	55.34		1.47
9	Office Equipment	65.70	3.98	38.63		3.98
10	Decommissioning liability	0.43	0.40	0.43	0.40	0.00
11	Gross Asset (Total (1) to (14))	17571.23	1508.10	18935.55	0.40	1507.69

6.25 The scheme wise details of the GFA addition of SBU-D for the year 2024-25 is given below.

Table 6.12
Scheme wise capital expenditure and GFA addition under SBU D for 2024-25 (Rs. Cr)

Project Code	Brief Description of Project	Cost to be capitalized as on 01/04/2023	Cost Incurred during the year	Capitalised during the year	Total cost to be capitalized upto the end of 31/03/2024
14.05	Deen Dayal Upadhyay Gram Jyothi Yojana (DDU GJY)	0.00	3.35	7.30	-3.95
14.10	Emobility Promotion Fund FameIndia Scheme PhaseII	1.64	0.16	0.10	1.70
14.11	RDSS Infrastructure Works	11.03	423.58	131.39	303.23
14.24	Implementation of Smart meters under RDSS	0.00	0.00	0.00	0.00
14.28	E Mobility Promotion Fund	0.63	0.68	0.88	0.43
14.35	Dyuthi 2.0	12.78	659.50	672.27	0.01
14.46	Expenediture for Safety	0.00	0.49	0.49	0.00
14.50	Rural Electrification Scheme	0.01	0.19	0.20	0.00
14.51	Distribution Line Extension	0.00	141.45	141.45	0.00
14.52	Distribution Service Connection	2.10	218.97	221.07	0.00
14.53	Distribution System Improvement	2.10	352.83	354.71	0.22

14.54	Electrification of Harijan Colonies	0.00	0.02	0.02	0.00
14.55	Electrification of Tribal Colonies	0.46	1.89	2.34	0.00
14.57	Punja Package	0.00	0.01	0.01	0.00
14.58	System Improvement in other areas	0.05	2.83	2.89	-0.00
14.60	Street Lights	0.82	40.00	40.81	0.00
14.61	Expenditure due to Natural Calamity	0.01	-0.01	0.00	0.00
14.62	RGGVY-Village electrification Infrastructure	0.00	0.01	0.01	0.00
14.65	MPLADS	0.01	0.15	0.12	0.04
14.67	Part B Projects of R-APDRP	0.60	0.60	0.60	0.60
14.76	Implementation of SCADA under RDSS	2.24	6.54	0.00	8.79
14.82	R- APDRP Scheme	0.00	0.00	0.00	0.00
14.9	CWIP - General	477.59	197.07	-69.13	743.79
14.91	Innovation fund	0.08	0.09	0.17	0.00
14.99	Projects not Identified	0.64	0.00		0.64
	SUB TOTAL (C)	512.79	2,050.40	1,507.69	1,055.50

Analysis and Decision regarding the GFA addition of SBU-D

6.26 The Commission has examined the details furnished by KSEB Ltd on asset addition for SBU-D, as per the provisions of the Tariff Regulations, 2021. As per the details furnished by KSEB Ltd, GFA addition for SBU-D as per accounts is Rs.1507.89 crore.

6.27 The Commission has also noted that, KSEB Ltd has received the grants and contributions amounting to Rs.810.72 crore in the Year 2024-25, out of which Rs 618.74 crore is for Distribution. ***This amount is to be deducted for arriving at the net asset addition during the year eligible for normative loan.***

6.28 Accordingly, the details of the GFA addition of SBU-D approved for the year 2024-25 is given below.

Table 6.13
GFA addition approved for the Year 2024-25 of SBU-D

Sl.No	Particulars	Amount (Rs. Cr)
1	Addition as per Accounts	1508.09
2	Less: Decommissioning liability	0.40
3	GFA addition approved	**1507.69**
4	Consumer contribution and grants	618.74
5	**Net Asset addition (for Normative loan)**	**888.95**
6	Less: Land value addition excluding the portion under part capitalization	0.00
6	**GFA addition eligible for depreciation**	**888.95**

6.29 As above the asset addition of SBU-D approved for the year 2024-25 is Rs.1507.69 Cr. After deducting the grants and contribution amounting to Rs.618.74 Cr, the net asset addition for SBU-D eligible for claiming normative loan and depreciation for the Year 2024-25 is Rs.888.95 Cr.

Summary of the GFA of SBU-D as on 31.03.2025

6.30 The Commission vide the Order dated 30.06.2025 in in petition OP No. 49/2024 in the matter of Truing Up of accounts for the year 2023-24, had approved the GFA of SBU-D as on 31.03.2024 at Rs.17727.46 Cr. The GFA addition approved as per Regulation for the year 2024-25 as per Table 6.13 above is Rs.1507.69 Cr. Thus, the closing balance of GFA of SBU-D as on 31.03.2025 is Rs.19235.15 Cr. The details are given in the Table below.

Table 6.14
Summary of GFA of SBU-D as on 31.03.2025

Sl No	Particulars	Amount (Rs. Cr)
1	Opening level of GFA approved as on 01.04.2024	17727.46
2	Asset addition approved for 2024-25 (Gross)	1507.69
3	Closing balance of GFA as on 31.03.2025	19235.15

Depreciation

6.31 KSEB Ltd submitted that, the depreciation as per the audited accounts for the year 2024-25 is Rs 2098.84 crore for the entire GFA without considering the consumer contribution and grants. Claw back of depreciation for the consumer grants and contribution is Rs 443.07 crore and the same is credited to other income under Note 30 of annual accounts.

However, for the purpose of Truing Up, KSEBL has been claiming depreciation strictly as per the provisions of the Tariff Regulations, 2021. As per the provisions of the Tariff Regulations, KSEBL cannot claim depreciation on the revalued assets of Rs 11988.99 crore as on 31.10.2023 as part of revesting of assets and liabilities. Further, depreciation cannot be claimed for the assets created using consumer contribution and grants.

KSEB Ltd submitted that, it is not claiming depreciation on the revalued assets amounting to Rs.11988.99 Cr as on 31.10.2013. This in turn lead to adverse audit qualification by the statutory auditors. The recurrence of the same audit qualification year after year was also seriously commented by the CAG during the audit for the FY 2021-22. Hence to avoid the qualification, KSEB Ltd has provided depreciation on the revalued asset as well. Accordingly, the depreciation as per account for 2024-25 is inclusive of Rs. 565.59 Cr towards enhancement in asset value at the time of re vesting. This is duly disclosed in Note No. 36 of audited accounts.

Normative depreciation, claimed as per the provisions in the Tariff Regulations, 2021 is Rs 861.95 crore. The details of the depreciation claimed by KSEBL is given below.

Table 6.15
Depreciation claimed by KSEBL for the Year 2024-25

	Particulars	SBU-G	SBU-T	SBU-D	KSEBL
1	Approved GFA as on 31.03.2024 as per true up order 2023-24	6101.65	9855.52	16749.79	32706.96
2	Less: Adjustments in 2022-23				
	Cost of damaged assets	0	0	805.39	805.39
3	Adjusted GFA as on 31.03.2024	6101.65	9855.52	15944.4	31901.57

4	GFA as on 31-3-2011 Assets having age more than 13 years	3695.14	3441.43	4067.19	11203.76
5	GFA as on 31-3-1994. Asset having average age more than 30 years old (Fully Depreciated Assets)	383.99	276.38	558.37	1218.74
6= (4-5)	Assets having life 13-30 yrs	3311.15	3165.08	3508.82	9985.02
7	Value of land on having age between 13 to 30 years on above*	82.7	186.88	8.34	277.92
8	Grants and contributions till 31.03.2011			3308.49	3308.49
9	Grants and contributions till 01.04.1994 - fully Depreciated			181.81	181.81
10= (8-9)	Grants and contributions on assets having life from 13 to 30 years			3126.68	3126.68
11= 6-(7+10)	Assets having life 13-30 years	3228.44	2978.17	373.81	6580.43
12= (11*1.42%)	Depreciation for Assets 13-30 years (@1.42%)	45.84	42.29	5.31	93.44
13= (3-4)	Assets < 13 years old (1-4-2011 to 31-3-2024)	2424.59	6447.33	12854.88	21726.8
14	Value of land (from 01.04.2011 to 31.03.2024) *	142.71	322.47	14.39	479.57
15	Adjustment if any	0	0	0	0
16= (14-15)	Adjusted value of land	142.71	322.47	14.39	479.57
17	Grants and contributions (1-4-2011 to 31-3-2024)	106.41	805.71	6720	7632.12
18 = (13-16-17)	GFA < 13 years old as on 01.04.2024	2175.47	5319.16	6120.49	13615.12
19	Asset addition for 2024-25 as per this Submission	975.92	807.97	888.95	2672.84
20 = (18+19)	Closing balance of Assets <13 years Old	3151.39	6127.12	7009.44	16287.96
21= (18+20)/2	Average Value of Assets <13 Years old	2663.43	5723.15	6564.97	14951.54
22 = (21*5.14%)	Depreciation for assets <13 years (@5.14%)	136.9	294.17	337.44	768.51
23= (12+22)	Total Depreciation for assets for 2024-25	182.74	336.46	342.75	861.95

6.32 KSEBL has submitted the computation of land value for the purpose of depreciation, and the details are given below.

Table 6.16
KSEBL computation of land value for the purpose of depreciation

Sl No	Particulars	SBU-G	SBU-T	SBU-D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Land value 31.3.2024-Data form and audited accounts.	1550.11	509.35	22.73	2082.19
2	Revaluation as on 31.10.2013	1277.00	0.00	0.00	1277.00
3= (1-2)	Land value excluding revaluation	273.11	509.35	22.73	805.19
4	Less value of land having age more than 30 years as on 31.3.1993	47.70	0.00	0.00	47.70

5= (3-4)	Value of land with age up to 30 years (1 to 30 years)	225.41	509.35	22.73	757.49
6	Value of land having age 13 to 30 years years ie 31.03.1993 to 31.03.2011 (proportionate)	82.70	186.88	8.34	277.92
7= (5-6)	Value of land having age up to 13 years	142.71	322.47	14.39	479.57

6.33 KSEBL also submitted the consumer contributions and grants for the purpose of depreciation. The details are given below.

Table 6.17
KSEBL claim of Consumer contribution and grants for the purpose of depreciation

Sl No	Particulars	SBU-G	SBU-T	SBU-D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Grant till 31.10.2013	0.00	0.00	4169.87	4169.87
2	01.11.2013 TO 31.03.2024	106.41	805.71	5858.63	6770.75
3 = (1+2)	Till 31.03.2024	106.41	805.71	10028.50	10940.62
4	Less: Grants applicable on fully depreciated assets – Receipt till 31.03.1994	0.00	0.00	181.82	181.82
5= (3-4)	Grant received for the assets with age of and below 30 years and obtained -1 to 30 years old	106.41	805.71	9846.68	10758.80
6	Grant received from the year 1994-95 to 2010-11 (Age 13 to 30 years prior to 2024-25)			3126.68	3126.68
7= (5-6)	Toal consumer contribution and grant received for the asset with age less than 13 years (Asset created from 01.04.2011 to 31.03.2024)	106.41	805.71	6720.00	7632.12

Provisions in the Regulations

6.34 Regulation 27 of the Tariff Regulations, 2021 provides the depreciation for the purposes of Tariff determination. The relevant Regulations is extracted below.

"27. Depreciation .-

(1) Depreciation shall be calculated on the original capital cost of the asset as approved by the Commission:

Provided that, no depreciation shall be allowed on the increase in value of theassets, on account of revaluation of assets:

Provided further that the depreciation shall not be allowed on the assets createdthrough consumer contribution, deposit works, capital subsidies and grants.

(2) The generation business/ company or transmission business/ licensee or distributionbusiness/ licensee shall be permitted to recover depreciation on the approved capitalcost of fixed assets used in their respective business, computed in the following manner:-

(i) depreciation shall be allowed upto a maximum of 90% of the approved capital cost of asset.

(ii) depreciation shall be computed annually based on the straight line method at the rates specified in Annexure 1 to these Regulations for the first thirteenfinancial years from the date of Commercial operation;

(iii) the remaining depreciable value as on the thirty first day of March of the financial year ending after a period of thirteen financial years from the dateof Commercial operation shall be spread over the balance useful life of theassets;

(iv) the generating business/ company or transmission business/ licensee or distribution business/ licensee, shall file all such details and documentary evidence, as may be required under these Regulations and as may be required by the Commission from time to time, to substantiate the above claims;

(v) No depreciation shall be allowed for assets created through consumer contribution, deposit works, capital subsidies and grants;

(vi) the salvage value of the fully depreciated asset shall be ten per cent of the allowable capital cost as approved by the Commission;

Provided that the salvage value of Information Technology equipment and computer software shall be considered at zero percent of the allowable capital cost.

(3) Land, other than the land held under lease and the land for reservoir in the case of hydel generating station, shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing the depreciable value of the assets.

(4) In case the land is held on lease, the lease premium paid will be eligible for depreciation over the lease period.

(5) Depreciation against assets relating to environmental protection shall be allowed ona case-to-case basis at the time of fixation of tariff, subject to the condition that the environmental standards as prescribed have been complied with during the previoustariff period.

(6) In the case of existing assets, the balance depreciable value of the asset as on thefirst day of April, 2022, shall be worked out by deducting the cumulative depreciationapproved by the Commission upto the thirty first day of March, 2022, from the grossdepreciable value of the assets.

(7) Depreciation shall be chargeable from the first financial year of Commercial operation:

Provided that in case the COD of the asset is declared during the course of the financial year, depreciation shall be charged on a daily pro-rata basis:

Provided further that depreciation shall be re-calculated for assets capitalized during the financial year at the time of truing up, based on the documentary evidencefor capitalization of assets filed by the applicant, subject to prudence check of the Commission, in such a way that the depreciation is calculated proportionately from COD.

(8) In case a single tariff needs to be determined for all the units of a Generating Station,the depreciation shall be computed from the effective date of commercial operation of each of the units, taking into consideration the depreciation of individual generating units thereof.

Analysis and Decision of the Commission

6.35 The Commission has examined in detail the depreciation claimed by KSEB Ltd in their Truing up petition for the year 2024-25. As per the provisions of the Tariff Regulations, 2021, the Commission has been approving the depreciation on normative basis. Further, the Commission has been following the consistent stand that, the assets created out of consumer contribution and grants shall not qualify for depreciation.

6.36 As per the provisions of the Tariff Regulations, 2021, land is a non-depreciable asset except the land held on lease. For other assets, the depreciation is allowed upto a maximum of 90% of the approved capital cost. The rate of depreciation of the various class of assets is given as Annexure-1 to the Tariff Regulations, 2021, wherein the rate of depreciation for first thirteen years is specified for various class of assets. The remaining depreciation is spread over the balance useful life of the assets.

6.37 The Commission, duly considering the mix of various assets of KSEB Ltd with different useful life, the average rate of depreciation of assets having life less than 13 year is arrived @5.14% and the average depreciation rate of assets having life more than 13 years and upto 30 years is taken as 1.42%. All assets aged more than 30 years old is taken as fully depreciated assets and no further depreciation is provided.

6.38 The Commission has been Truing Up the accounts of KSEBL since the Year 2003-04 onwards. Based on the past audited accounts, orders on Truing Up and other relevant records, the Commission has arrived the following details for the purpose of determining the depreciation.

(1) Details of the fully depreciated assets (assets having age more than 30 years).
(2) Details of the assets having age more than 13 years and upto 30 years.
(3) Details of the assets with age of and below 13 years.
(4) Value of land for the purpose of depreciation
(5) Details of the consumer contribution and grants arrived for the purpose of depreciation.

The details are given below.

Table 6.18
Age wise details of the assets considered for arriving depreciation

Sl No	Particulars	SBU-G (Rs. Cr)	SBU-T (Rs. Cr)	SBU-D (Rs. Cr)	Total (Rs. Cr)
I	**Details of fully depreciated Assets**				
1	GFA as on 31.03.1994 (Assets having avg age more than 30 years old) (fully depreciated assets)	383.99	276.38	558.38	1218.75
2	Grants and contribution of fully depreciated assets	0.00	0.00	181.82	181.82
II	**Details of assets having age 13 to 30 years**				
3	GFA as on 31.03.2011 Assets having age more than 13 years)	3695.14	3441.43	4067.19	11203.76
4	GFA having age between 13 to 30 years = (3)-(1)	3311.15	3165.05	3508.81	9985.01
5	Grants and contribution of assets as on 31.03.2011 (with age more than 13 years)	0.00	0.00	3308.50	3308.50
6	Grants and contribution of assets with age 13 to 30 years = (5)-(2)	0.00	0.00	3126.68	3126.68
III	**Details of Assets with age upto 13 years**				

7	Details of Assets as on 31.03.2024	6119.73	9903.38	17727.46	33750.57
8	Cost of damaged assets removed in 2022-23			805.39	805.39
9	GFA as on 31.03.2024 considered for loan and depreciation	6119.73	9903.38	16922.07	32945.18
10	GFA with age upto 13 years= (9)-(3)	2424.59	6461.95	12854.88	21741.42
11	Consumer contribution and grants added from 01.04.2011 to 31.03.2024	106.41	805.71	6720.00	7632.12

Table 6.19
Details of the value of land value considered for arriving the depreciation allowable

Sl No	Particulars	SBU-G	SBU-T	SBU-D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Total value of land as on 31.03.2024 (Excluding revaluation)	273.11	509.35	22.73	805.19
2	Less value of land having age more than 30 years	47.70	0.00	0.00	47.70
3	Net value of land with age upto 30 years	225.41	509.35	22.73	757.49
4	Value of land of assets with age 13 to 30 years	82.70	186.88	8.34	277.92
5	Value of land having age upto 13 years	142.71	322.47	14.39	479.57

Table 6.20
Details of the consumer contribution and grants considered for arriving depreciation

Sl No	Particulars	SBU-G	SBU-T	SBU-D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Consumer contribution and grant received till 31.10.2013	0	0	4169.87	4169.87
2	Consumer contribution and grant received from 01.11.2013 to 31.03.2024	106.41	805.71	5858.63	6770.75
3 = (1+2)	Total consumer contribution and grant received	106.41	805.71	10028.5	10940.6
4	Less: consumer contribution and grants applicable on fully depreciated assets – Receipt till 01.04.1994	0	0	181.82	181.82
5= (3-4)	Consumer contribution and grant received for the assets with age of and below 30 years	106.41	805.71	9846.68	10758.8
6	Grant and contribution received from the Year 1994-95 to 2010-11 (age 13 to 30 years prior to 2024-25)			3126.68	3126.68
7= (5-6)	Total consumer contribution and grant received for the assets with age less than 13 years (assets created from 01.04.2011 to 31.03.2024).	106.41	805.71	6720	7632.12

6.39 Based on the above and as per the provisions of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, the Commission hereby approve the depreciation of SBU-G, SBU-T and SBU-D of KSEBL as follows.

Table 6.21
Depreciation approved for the Year 2024-25

	Particulars	SBU-G	SBU-T	SBU-D	KSEBL
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	GFA approved as on 31.03.2025 (Net) (Order dated 30.06.2025 in OP No.49/2024)	6119.73	9903.38	17727.46	33750.57
2	Less Loss/damaged assets withdrawn on account of natural calamities (2022-23)			805.39	805.39
3	Net GFA as on 31.03.2025 = (1)-(2)	6119.73	9903.38	16922.07	32945.18
	I. Depreciation of Assets having age 13 to 30 years				
4	Total GFA having age 13 to 30 years	3311.15	3165.05	3508.81	9985.01
5	Value of land having age between 13 to 30 years	82.70	186.88	8.34	277.92
6	Grants and contributions having age 13 to 30 years	0.00	0.00	3126.68	3126.68
7= (4)-[(5)+(6)]	Assets having life 13-30 yrs eligible for depreciation	3228.45	2978.17	373.79	6580.41
8= (7)*1.42%	Depreciation for Assets 13-30 years (@1.42%)	45.84	42.29	5.31	93.44
	II. Depreciation of Assets having age upto 13 years				
9	Assets with age upto 13 years old (assets ctrated from 1-4-2011 to 31-3-2024)	2424.59	6461.95	12854.88	21741.42
10	Value of land (from 01.04.2011 to 31.03.2024)*	142.71	322.47	14.39	479.57
11	Grants and contributions (1-4-2011 to 31-3-2024)	106.41	805.71	6720.00	7632.12
12=(9)-(10)-(11)	GFA < 13 years old eligible for depreciation as on 01.04.2024	2175.47	5333.77	6120.49	13629.73
13	Asset addition for 2024-25 (eligible for dep)	139.89	252.33	888.95	1281.17
14= (12+13)	Closing balance of Assets <13 years Old (1-4-2011cto 31-3-2025)	2315.36	5586.10	7009.44	14910.90
15=[(12)+(14)]/2	Average Value of Assets <13 Years old	2245.41	5459.94	6564.97	14270.31
16= (15*5.14%)	Depreciation for assets <13 years (@5.14%)	115.41	280.64	337.44	733.49
17= (8+16)	Total Depreciation for assets for 2024-25	**161.26**	**322.93**	**342.75**	**826.94**

Interest on Long-term loans on Normative basis

6.40 KSEB Ltd vide the Truing up petition had submitted the details of the loans availed for the year 2024-25 for all the SBUs of KSEB Ltd. Its summary as per the petition is given below.

Table 6.22
Summary of loans, interest and average rate of interest for 2024-25 (Rs. Cr)

SBU	Opening (01/04/2024)	Add: additions during the Year	Less: Repayments during the year	Closing (31/03/2025)	Average loan	Interest on loan	Average interest
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(%)
SBU G	1273.68	278.14	296.27	1255.55	1264.62	111.74	8.84
SBU T	4398.01	1037.06	1089.13	4345.94	4371.98	414.00	9.47
SBU D	3681.27	1010.53	1002.39	3689.41	3685.34	343.11	9.31
Total	9352.96	2325.73	2387.79	9290.90	9321.93	868.85	9.32

As above, the actual interest on loan was Rs 868.85 crore as against Interest on normative loan approved vide the ARR Order dated 25.06.2022 Rs.1105.71 crore.

6.41 Based on the provisions of the Tariff Regulations, 2021, and also as per the methodology followed by KSERC in the ARR&ERC Order dated 25.06.2022, the normative interest on loan till 31.03.2025 arrived by KSEB Ltd is given below.

Table 6.23
Computation of Normative loan as on 01.04.2025

Sl. No	Description	SBU G	SBU T	SBU D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Closing balance of Normative loan as per True up order for 2023-24 (OP.49/2024 dated 30.06.2025)	1149.51	3915.38	5476.31	10541.20
2	Add: Disputed claim pending before APTEL	135.23	131.21	201.16	467.60
3	Add: Disputed claim pending before APTEL against order dated 28.6.2024 on OP.No.85/2023			295.09	295.09
4	Amount received from Kfw treated as Grant in 2023-24 reclassified under 'Other Financial Liability'		25.00		25.00
5	Opening normative loan for 2023-24 as per KSEBL	1284.74	4071.59	5972.56	11328.89
6	Additional Normative Loan for 2024-25	976.38	814.38	888.95	2679.71
	Normative repayment 2024-25	182.74	336.46	342.75	861.95
8= (4+5)-6	Closing normative loan 31.03.2025	2078.38	4549.51	6518.76	13146.65
9= (4+7)/2	Average Normative loan for the year 2024-25	1681.56	4310.55	6245.66	12237.77
10	Weighted average interest rate as per Regulation (%)	8.87	9.51	9.08	9.20
11	Normative interest for 2024-25	149.15	409.93	567.11	1126.19

6.42 Commission noted that, the loan availed for capital works under SBU-T includes KIIFB loan of about Rs 1631 crore @9.52% interest rate. Commission vide the Order dated 30.06.2025 in OP No. 49/2024 has directed KSEBL refinance (SWAP) KIIFB loan with low cost loan from other financial institutions.

KSEBL vide the letter dated 30.12.2025 has informed that, it had fully closed the loan availed from KIIFB for financing the Transgrid 2.0 Project (bearing interest at 9.75% p.a) by availing Term Loan from M/s REC Ltd at an interest rate of 8.50% p.a. The KIIFB loan account was closed on 13.11.2025 accordingly the directive of Hon'ble Commission has been complied with.

6.43 Commission further noted that, KSEBL still has high interest loans from REC to the extent of Rs 1900.00 crore, with interest rate between 9.26 to 10.75%, about Rs 1173 crore from SBI at the average interest rate of 9.35% to 9.45%, different loans from PFC at the interest rate between 9.60% to 10.35%, loans from KFC upto the interest rate of 9.35%.

KSEBL should have to take sincere efforts to re-finance these high cost loans by availing low cost loans from other financial institutions.

Provisions in the Regulation

6.44 Regulation 29 of the Tariff Regulation 2021, specifies the procedures for the approval of the interest and finance charges. The relevant Regulation is extracted below.

“29. Interest, Finance charges and Carrying cost. –

(1) The loans arrived at in the manner indicated in Regulation 26 shall be considered as gross normative loan for calculation of interest on the loans:

Provided that the interest and finance charges on capital works in progress shall be excluded from such consideration and will not be considered in the ARR and truing up processes:

Provided further that in case of retirement or replacement of the assets, the normative loan amount approved by the Commission shall be reduced to the extentof outstanding loan component of the original value of the retired or replaced assets; based on documentary evidence.

(2) The normative loan outstanding as on the first day of April, 2022, shall be worked out by deducting the amount of cumulative repayment as approved by the Commission upto the thirty first day of March, 2022, from the normative loan.

Notwithstanding any moratorium period availed by the generating business/ company or the transmission business/ licensee or the distribution business/ licensee, the repayment of loan shall be considered from the first financial year of the declaration of the commercial operation date of the project and shall be equal to the depreciation allowed for that financial year.

(3) The rate of interest allowed shall be the weighted average rate of interest calculatedon the basis of the actual loan portfolio at the beginning of each financial year applicable to the generating business/ company or the transmission business/ licensee or the distribution business/ licensee or State Load Despatch Centre:

Provided that if there is no actual loan for a particular financial year of the Control Period but normative loan is still outstanding, the rate of interest on the last available loan shall be considered:

Provided further that if the generating business/ company or the transmission business/ licensee or the distribution business/ licensee or State Load Despatch Centre does not have any actual loan outstanding, but normative loan is outstanding, then interest shall be allowed at the base rate.

(4) The interest on loan shall be calculated on the normative average loan as per the norms approved by the Commission for the financial year, by applying the weightedaverage rate of interest.

Analysis and Decision of the Commission

6.45 Commission has examined in detail the interest on loans on normative basis as per the provisions of the Tariff Regulations, 2021, the objections raised by the stakeholders and the clarifications submitted by KSEBL against the queries raised by the Commission. The decision of the Commission is detailed in the subsequent paragraphs.

6.46 The Commission has to approve the interest on loan to the licensee on normative basis, strictly as per the provisions of the Tariff Regulations, 2021, duly considering the equity, assets created out of consumer contribution and other relevant factors, and its details are in the subsequent paragraphs.

6.47 As per the Regulation 29(4) of the Tariff Regulations, 2021, the rate of interest to be adopted for the approval of the interest on normative loan shall be the weighted average interest rate of the actual loan portfolio of the SBUs at the beginning of the year concerned.

KSEB Ltd has provided the details of the capital liabilities of each SBUs as on 01.04.2023, the borrowings and repayments during the year 2023-24 and the closing balance of the capital liabilities as on 31.03.2024.

Table 6.24
Summary of the loans outstanding as on 01.04.2024 and the average interest rate

SBU	Opening Loan as on 01.04.2024	Weighted avg interest rate of the outstanding loan
	(Rs. Cr)	(%)
SBU G	1273.68	8.87%
SBU T	4398.01	9.51%
SBU D	3681.27	9.08%
Total	9352.96	9.20%

6.48 Based on the above, the Commission has determined the interest on normative loan for the year 2024-25, as detailed below.

Table 6.25
Interest on normative loan approved for the year 2024-25

Sl. No	Description	SBU G	SBU T	SBU D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Opening of normative loan approved as on 01.04.2024 as per True Up Order dated 30.06.2025 in petition OP No. 49/2024	1149.51	3915.38	5476.31	10541.20
2	Normative GFA addition qualifying for loan for the Year 2024-25	140.32	255.15	888.95	1284.42
3	Less Depreciation approved for the year 2024-25	161.26	322.93	357.91	842.10
4= (1+2)-3	Closing normative loan 31.03.2025	1128.57	3847.60	6007.35	10983.52
5= (1+4)/2	Average Normative loan for the year 2024-25	1139.04	3881.49	5741.83	10762.36
6	Weighted average interest rate for 2024-25 (%)	8.87%	9.51%	9.08%	
7	**Normative interest for 22024-25**	**101.03**	**369.13**	**521.36**	991.52

Pay revision, revision of O&M costs etc.

6.49 KSEB Ltd submitted that, while arriving the norms for O&M cost, the Commission has considered the provisions for pay revision in the audited accounts for the Year 2018-19 amounting to Rs 181.18 crore for 27175 number of employees. However, the Commission vide the Order dated 14.07.2022 OP No.63/2021 in petition had ordered to allow O&M cost for the employee strength of 30321 number of employees. The note given under paragraph 2(d) of Annexure-7 of the Tariff Regulations, 2021 provides for revising the norms for O&M cost based on the revised man power requirement. However, the Commission yet to revise the O&M cost of the control period. KSEBL has estimated the impact on the same and arrived that, the licensee is eligible to claim an additional amount of Rs 285.40 crore.

6.50 KSEBL further submitted that, the Commission while approving the Truing Up of accounts for the years 2018-19 to 2020-21 ordered that the expenses towards pay revision can be approved only on payment basis, after verifying the supporting documents.

KSEBL further submitted that, while issuing the Orders on Truing Up for the Year 2022-23, the Commission has ordered to furnish the Government approval for the pay revision implemented in KSEBL. Though KSEBL has taken up the matter with the State Government, but the formal orders are yet to be obtained from the State Government.

Analysis and Decision of the Commission

6.51 The Commission vide the Order dated 28.06.2024 in Petition OP No. 85/2023 in the matter of Truing Up of accounts of KSEBL for the Year 2022-23 has appraised in detail the claim of approval of the arrears on 'pay revision' disbursed during the Year 2022-23. The relevant portion of the Order of the Commission dated 28.06.2024 is extracted below.

"

Para 6.53 (3) last proviso.
As per the Tariff Regulations, 2018, the pay revision expenses ***as per the agreements reached between the management and the unions has to be allowed after prudence check for the same level of employees as admitted in the ARR&ERC Order dated 08.07.2019, subject to the approval of the State Government.***

Para 6.54
KSEBL is eligible for an amount of Rs 425.25 crore towards the arrears of pay revision disbursed in the Year 2022-23 as against the claim of Rs 511.89 crore, once the State Government approves the pay revision implemented by KSEBL vide its Order dated 15.02.2021.

Para 6.55
Once the State Government approves the pay revision implemented by KSEBL vide the Order dated 15.02.2021, the Commission may allow the amount of Rs 425.25 crore towards arrears of pay revision, as arrived above. The Commission may revisit the ARR, and revenue gap approved in this Order and approve the revised revenue gap including the arrears of pay revision admissible for the year 2022-23 once the State Government issue formal approval of the pay revision. There is no need to file separate petition in this regard by KSEBL.

Para 6.56
However, the Commission is of the considered opinion that, the matter of getting approval of the pay revision effected in the Year 2021 cannot be prolonged indefinitely.

Hence, KSEBL has to get the approval from the State Government in a time bound manner, within a period of three months from the date of this Order.

With the above observations and directions, the Commission has provisionally arrived at the amount of Rs 425.25 crore allowable towards arrears of pay revision as above, as part of Truing Up for the Year 2022-23, subject to production of approval from State Government for the pay

revision implemented by KSEBL vide its Order dated 15.02.2021. The said amount will be reckoned for arriving at the revenue gap of KSEBL for the FY 2022-23 only after production of the approval of the State Government as decided above."

6.52 As discussed above, the Commission vide the Order dated 28.06.2024 has clarified that, once KSEBL get the approval of the State Government on the revision of pay and allowances implemented by it, the Commission will reckon the arrears of pay revision claimed for the Year 2022-23 for arriving the revenue gap of KSEBL after its prudency.

Once the **KSEBL get formal approval of the State Government on the revision of pay and allowances implemented by KSEBL vide its order dated 15.02.2021, the same may be produced before the Commission for its due reckoning**

Master Trust Bonds and Repayment of bonds issued to the Master Trust

6.53 The amount claimed by KSEBL under following heads are discussed in the subsequent paragraphs.

(a) Interest on Master Trust Bonds,
(b) Repayment of bonds issued to the Master Trust,
(c) Additional funds to the Master Trust for meeting the pension payment obligations.

6.54 KSEB Ltd submitted that, the State Government, as per notifications dated 31.10.2013 and 28.01.2015, ordered creation of a Master Trust for meeting the unfunded liability of pension, gratuity and leave surrender as on 31.10.2013, in respect of the personnel transferred from erstwhile KSEB to KSEB Ltd. The total liability as on 31.10.2013 was estimated at Rs.12,418.72 Cr and necessary funding arrangements were put in place through issue of two series of Bonds.

The Commission has recognized the unfunded pension liabilities as above and approved recovery of interest on KSEB Ltd share of bonds as per Tariff Regulations 2018. The Commission had approved Rs. 529.36 Cr towards interest on bonds issued to the Master trust for the year 2024-25 vide the ARR&ERC Order dated 25.06.2022.

6.55 KSEB Ltd further submitted that, the Actuarial liability as on 31.03.2024 towards the unfunded pension liability, gratuity liability and leave surrender liability stood at Rs.39953.68 Cr. The remaining value of the secured bonds issued to the Trust as on 31.03.2025 is Rs 6758.20 Cr. Thus the unsecured portion of the defined obligation as on 31.03.2025 is Rs 33,195.42 crore. Details are given as Note 51 of the audited accounts.

6.56 KSEB Ltd further submitted that, as per the actuarial valuation as on 31.03.2025, the increase of the unfunded liability as on 31.03.2025 over the same as on 31.03.2024 was Rs 2194.13 crore. However, due to the change in method of accounting as instructed by the statutory auditors, the expenses of actuarial liability is booked in the accounts is as given below;

(i) Liability pertaining to 2024-25 amounting to Rs. 2572.18 Cr has been booked under employee cost for the year and

(ii) Remaining portion, pertaining to earlier years Rs.1676.02 crore under other comprehensive income in P&L account.

6.57 KSEB Ltd further submitted that, Kerala Service Rules as applicable in the Government are applicable to employees of KSEB Ltd. During the year 2024- 25, KSEB Ltd had disbursed Rs. 2623.89 Cr of terminal benefits to the retired employees. The details are given below.

Table 6.26
Amount paid to pensioners by the trust

Month	Amount (Rs. Cr)
Apr-24	191.31
May-24	170.12
Jun-24	194.9
Jul-24	211.43
Aug-24	216.16
Sep-24	239.06
Oct-24	232.56
Nov-24	192.29
Dec-24	391.85
Jan-25	200.39
Feb-25	204.15
Mar-25	179.67
Total	2623.89

6.58 KSEB Ltd further submitted that, it has fully remitted the amount due to master trust bonds during the Year 2024-25. Sofar, KSEBL had paid more than the liability of Master Trust bonds as on 31.03.2025. The claim of KSEBL is given below.

Table 6.27
KSEBL claim on the details of the amount paid to Master Trust for pension disbursements

Sl No	Particulars	Amount (Rs. Cr)
1	Payable to Trust as per audited accounts 2023-24	-1588.87
2	Principal repayment due on 20yr bond in 2024-25	407.20
3	Principal repayment due 10 yr bond in 2024-25	416.78
4	Interest on 20yr bond-2024-25	529.36
5	Interest on 10yr bond-2024-25	131.81
6	Received from Government	0.00
7	Interest on belated transfer of fund to Trust in earlier years	0.00
8	Total payable in 2024-25	1485.15
9	Payment made during the year	2623.90
10	Payable to Trust on 31.03.2025 as per audited accounts	-2727.62

(a) Interest on Master Trust bonds claimed by KSEBL for the purpose of Truing Up for the Year 2024-25

6.59 KSEBL submitted that, the interest liability of the 20 year bond issued to the Master Trust is 529.35 crore. The total interest liabilities of the bond to the trust is apportioned on the basis of the employee ratio among the SBUs, and its contribution for each SBU is detailed below.

Table 6.28
Interest on Master Trust Bonds (Rs.Cr)

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Interest on Bonds	25.81	47.40	456.14	529.35

6.60 KSEB Ltd further submitted that, there is no deviation between interest approved for the year as per the ARR&ERC Order dated 25.06.2022 and the actual interest as per audited accounts. However, there has been minor difference between approval and actual under SBU wise segregation of total interest. In the ARR&ERC Order, Commission adopted employee expenses ratio for 2017- 18 as the basis for SBU wise segregation of allowable interest whereas the ratio of the employee cost for the year 2024-25 was considered for the purpose in the audited accounts.

(b) Repayment of bonds issued to the Master Trust claimed by KSEBL for the Year 2024-25

6.61 KSEB Ltd submitted that, in line with Regulation 34(iv) of the Tariff Regulation, 2021, the Commission vide the ARR&ERC Order dated 25.06.2022 had approved Rs.407.20 Cr for the year 2022-23. Hon'ble High Court of Kerala, as per judgment dated 07.09.2023 in WP (C) 19205/2023, set aside the enabling Tariff Regulation 2021 (Regulation 34 (iv)) owing to fault with the procedure. Hon'ble Court however observed that by following the procedure contemplated for framing regulations, the Commission may take appropriate decision on repayment of master trust bonds after complying with the requirement of Section 181(3) of EA-2003 and Electricity (Procedures for Previous Publication) Rules, 2005 and in accordance with law.

6.62 In view of the above judgment of the Hon'ble High Court, the Commission after pre-publication, stakeholder consultation and public hearings has notified the KSERC (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations, 2024 on 27th February 2024. Accordingly, as per the provisions of the Tariff (Second Amendment) Regulations, 2024, KSEBL has claimed repayments of bonds issued to the Master Trust as part of the Truing Up process. Details are given below.

Table 6.29
Repayment of Master Trust bonds claimed for the year 2024-25

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Repayment of bonds to Master Trust	21.99	45.81	339.42	407.22

(c) Additional contribution to Master Trust

6.63 KSEBL submitted that, the Commission vide the MYT Order dated 25.06.2022 provisionally approved Rs 400.00 crore towards unfunded actuarial liability. Tariff

Regulations provide that annual pension contribution by KSEBL to the Master Trust based on the actuarial valuation is allowed to be recovered through tariff.

6.64 KSEBL further submitted that, the additional actuarial liability for the Year 2024-25 amounts to Rs 2194.13 crore and the same has been duly accounted for in the accounts. KSEBL further submitted that, the Commission may please to consider the actuarial additional liability over Rs 400.00 crore amounting to Rs 1794.13 crore (Rs 2194.13 Cr- Rs 400.00 Cr) with interest as and when the scheme for unfunded liability is finalized.

Provisions in the Tariff Regulations, 2021 and its amendments.

6.65 Regulation 30 and 34 of the Tariff Regulations, 2021 deals with 'interest on Master Trust bonds and related issues. The relevant Regulations is extracted below.

"Regulations 30.
Interest on bonds issued by KSEB Limited to service the terminal liabilities of its employees. –

(1) The interest on the bonds issued by KSEB Limited to service the terminal liabilities of its employees shall be allowed for recovery through tariffs, at the rates stipulatedin the relevant orders issued by the Government of Kerala.

(2) The bonds shall be amortized at the same rate as prescribed in the Transfer Schemenotified by the Government of Kerala.

(3) KSEB Ltd shall determine the up-to-date actuarial liability, draw up a proposal regarding how to fund the liability/uncovered liability and after its approval by the KSEB Board of Directors, shall submit to the Government for consideration. Once the Government has accorded approval in this regard, KSEB Ltd shall submit a petition in line with the Government approval to the Commission with the complete details indicating the assessed and approved actuarial liability and the proposal to fund this liability. The Commission shall consider this petition at the time of truing upof the accounts. Till such time, the Commission may based on a petition by KSEB Ltd consider approving a provisional amount towards the discharge of this liability."

"Regulations 34
Principles for adoption of Transfer Scheme for KSEB under Section 131 of theAct.-

The Commission may, for the purpose of approval of the Aggregate Revenue Requirements and determination of tariff, adopt the changes in the balance sheet, due to the re-organization of the erstwhile Kerala State Electricity Board, as per the provisions of the Transfer Scheme published by the Kerala State Government under Section 131 of the Act, subject to the following principles:-

(i) Increase in the value of assets consequent to the revaluation of assets shall notqualify for computation of depreciation or for return on net fixed assets;

(ii) The equity of the Government of Kerala as per the above Transfer Scheme published vide Government Order No. GO(P) 46/2013/PD dated 31.10.2013 andGO(P) No. 3/2015/PD dated 28.01.2015 under Section 131 of the Act will be considered for computation of return on equity;

(iii) The reduction of the contribution received from the consumers, grants and such other subventions for creation of assets, made as part of Transfer Scheme, shallnot be considered while computing the depreciation;

(iv) The amounts required for the payment of interest on the bonds issued to the Master Trust and for the principal repayment of such bonds shall be reckoned

for computation of Aggregate Revenue Requirement and for truing up of accounts;

(v) The Commission will subject to the petition by KSEB Ltd may take appropriate decision on the other issues relating to the Transfer Scheme and its implementation, on case to case basis."

6.66 The clause (iv) of Regulation 34 above was amended vide the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations, 2024 as follows;

" 34(iv) The amounts required for the payment of both the principal and interest on the bonds issued to the Master Trust from time to time and which are serviced by KSEB Ltd shall be reckoned for computation of Aggregate Revenue Requirement and for truing up of accounts of KSEB Ltd;".

Provisions in the Tariff Regulations, 2021 for additional fund to the Master Trust

6.67 The Regulation 30 (3) of the Tariff Regulations, 2021 provides for additional fund to the Master Trust based on the up-to-date actuarial liability. The relevant Regulation is extracted below.

"Regulation 30(3)
KSEB Ltd shall determine the up-to-date actuarial liability, draw up a proposal regarding how to fund the liability/uncovered liability and after its approval by the KSEB Board of Directors, shall submit to the Government for consideration. Once the Government has accorded approval in this regard, KSEB Ltd shall submit a petition in line with the Government approval to the Commission with the complete details indicating the assessed and approved actuarial liability and the proposal to fund this liability. The Commission shall consider this petition at the time of truing up of the accounts. Till such time, the Commission may, based on a petition by KSEB Ltd, consider approving a provisional amount towards the discharge of this liability."

6.68 Regulation 45(2) of the Tariff Regulations, 2021 provides as follows;

" 45(2) The generation business of KSEB Limited shall based on a petition filed by the generator/ generating station and subject to prudence check by the Commission, be allowed to recover, in addition to the above specified normative operation and maintenance expenses, the annual pension contribution payable by KSEB Limited to the Master Trust, based on actuarial valuation in respect of the personnel allocated to the generation business of KSEB Limited. KSEB Limited shall ensure that such amounts are deposited in a separate account of the Master Trust, shall not be utilized for working capital or on other such expenditure and proof of depositing such allocated amounts into the separate account shall be filed with the Commission within 90 days of the date of such Order."

6.69 Regulation 58(3) of the Tariff Regulations, 2021 provide as follows;

"(3) The transmission business of KSEB Limited shall be allowed to recover the annual pension contribution to the Master Trust, based on actuarial valuation, in respect of the personnel allocated to the transmission business of KSEB Limited, in addition to the normative operation and maintenance expenses specified in sub regulation (1) above."

6.70 First proviso to Regulation 80 of the Tariff Regulation 2021 provide as follows;

"Provided that the distribution business of KSEB Limited shall be allowed to recover the annual pension contribution paid to the Master Trust, based on the actuarial valuation and subject to prudence check by the Commission, in respect of the personnel allocated to the distribution business of KSEB Limited, in additionto the above specified normative operation and maintnance expenses:"

Analysis and decision of the Commission

6.71 The Commission examined the submissions of KSEB Ltd regarding the pension payment and related issues of the pensioners and employees in the roll of KSEBL as on the date of revesting on 31.10.2013, and the funding of the Master Trust created for meeting the pension liabilities.

6.72 The Commission had examined the provisions in the Re-vesting notifications dated 31.10.2013 and 28.01.2025 regarding the creations of a Master Trust for the pension and other payment obligations of the pensioners and the employees in the roll of KSEB as on 31.10.2013, i.e., as on the date of re-vesting of erstwhile KSEB into new entity KSEBL. The funding arrangements of the Master Trust, and its summary is discussed below.

(1) Clauses 6(8) and 6(9) of the Kerala Electricity Second Transfer (Re-vesting) 2013 notified on 31st October 2013 and its amendment dated 28.01.2015 envisages the creation of a Master Trust for making payments of pension and terminal liabilities of the pensioners and employees of erstwhile KSEB as on the date of re-vesting on 31.10.2013.

(2) The total unfunded terminal liability as on date of re-vesting on 31.10.2013 as per the actuarial valuation is Rs 12419.00 crore. The details are given below.

Table 6.30
Total unfunded terminal liability as on 31.10.2013

Particulars	As on 31.10.2013 (Rs. Cr)
Pension liability	11268
Gratuity liability	719
Leave liability	432
Total	12419

(3) The funding arrangements for the total unfunded liability as on 31.10.2013 is given below.

Table 6.31
Funding arrangements as per the Re-vesting (Amendment) Notification dated 28.01.2015

Sl No	Particulars	Amount (Rs.Cr)	Remarks
1	20 year bond with coupon rate 10% per annum for Rs 8144 crore	8144	Interest and repayment of bond shall be met by KSEBL. KSEBL shall transfer the interest and repayment of bond annually to the Master Trust

2	10 year bond with a coupon rate 9% p.a for Rs 3751 crore	3751	Interest and repayment shall be transfer by KSEBL on behalf of State Government. The Government allow to retain the electricity duty and allow to adjust Rs 586.10 crore towards interest and repayment of bond for a period of 10 years.
3	Rs 524.00Cr will be funded by State Government through budgetary provision over a period of 10 years in equal instalments	524	State Government has been providing Rs 52.4 crore annually through budgetary provision to KSEBL
	Total	12419	

(4) Clause 6(9)(e) of the re-vesting (amendment) notification dated 28.01.2015 envisages that, ***"In addition to the interest on bonds and repayment of principal, KSEB Ltd will be paying the annual pension contribution based on actuarial valuation to the master trust in respect of the personnel transferred to KSEB Ltd."***

(5) As envisaged under Clause 6(8) of the Government Notifications on re-vesting dated 31.10.2013 and its amendment dated 28.01.2015, the tripartite agreement was signed between GoK, KSEB Ltd and KSEB Employees Unions and Associations on 01.08.2014.

(6) A trust, namely KSEB Ltd Employee's Master Pension and Gratuity trust was registered on 10.02.2015.

(7) Subsequently, on 01.04.2017, KSEBL has issued two sets of bonds to KSEB Ltd Employee's Master Pension and Gratuity Trust,
(1) 20 year bond with a coupon rate of 10% for Rs 8144.00 crore.
(2) 10 year bond with a coupon rate of 9% for Rs 3751.00 crore.

(8) The yearly payment schedule of the principal and interest amount of the 20 Year bond to the Master Trust is given below.

Year	Principal (Rs. Cr)	Interest (Rs. Cr)	Total (Rs.Cr)	Year	Principal (Rs. Cr)	Interest (Rs. Cr)	Total (Rs.Cr)
1	407.20	814.40	1221.60	11	407.20	407.20	814.40
2	407.20	773.68	1180.88	12	407.20	366.48	773.68
3	407.20	732.96	1140.16	13	407.20	325.76	732.96
4	407.20	692.24	1099.44	14	407.20	285.04	692.24
5	407.20	651.52	1058.72	15	407.20	244.32	651.52
6	407.20	610.80	1018.00	16	407.20	203.60	610.80
7	407.20	570.08	977.28	17	407.20	162.88	570.08
8	407.20	529.36	936.56	18	407.20	122.16	529.36
9	407.20	488.64	895.84	19	407.20	81.44	488.64
10	407.20	447.92	855.12	20	407.20	40.72	447.92

The re-vesting notifications of the State Government envisages that, KSEBL has to meet the principal repayment and interest of the 20 year bond to the Trust, and the State Government will not provide financial support for the same.

(9) The yearly payment schedule of the principal and interest amount of the 10year bond at the end of each year is given as under;

Year	Principal	Interest	Total
	(Rs. Cr)	(Rs. Cr)	(Rs.Cr)
1	248.51	337.59	586.10
2	270.88	315.22	586.10
3	295.25	290.85	586.10
4	321.83	264.27	586.10
5	350.79	235.31	586.10
6	382.36	203.74	586.10
7	416.78	169.32	586.10
8	454.29	131.81	586.10
9	495.17	90.93	586.10
10	515.15	70.95	586.10

State Government has allowed to retain the electricity duty collected with KSEBL for a period of 10years from the date of re-vesting i.e., w.e.f 01.11.2013 onwards, for meeting the principal and interest payment of the 10 year bond issued to the Master Trust.

Though the bonds to the Master Trust was issued to the Trust only on 01.04.2017, KSEBL is allowed to collect and retain the electricity duty w.e.f 01.11.2013 onwards. State Government vide the notification G.O(P) No. 6/2013/Power dated 1st November 2013 has directed KSEBL to remit the electricity duty from November 2023 onwards, since the 10 year duty retention period is over by 31.10.2023.

(10) Commission noted that, KSEBL has not been operating the Master Trust as envisaged in the re-vesting notifications dated 31.10.2013 and 28.01.2015. In all the previous Orders on Truing Up since the Year 2017-18 the Commission has raised serious observation regarding the laxity from the part of KSEB Ltd for not operationalizing the Master Trust.

At present KSEB Ltd has been operating the Trust Accounts like a “Current Account” by remitting money into the account on requirement basis for dispersal and fulfilment of retirement benefits. Hence, the payments into the Trust account by KSEB Ltd is not as per the original scheme envisaged but only as per the fund requirements to disburse the pension.

(11) In the initial years operation of the Trust, there was surplus with KSEBL, as detailed below.

Table 6.32
Surplus fund available with KSEBL as on 31.03.2024

Year	Fund provided to the Master Trust- Commission and State Government						Pension disnburse-ments	Surplus with Trust if KSEBL promply tranfer the fund yearly	Interest @9.2%	Cumulative surplus
	20 year Bond (funded by KSEBL)		10 year Bond (funded by GoK)	Budgetory allocation	Additional fund allowed by the Commission as part of Truing Up**	Total fund available to the Trust				
	Principal amount #	Interest	Amount							
	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)		(RS.Cr)
2016-17			2002.51			2002.51		2002.51		
2017-18	407.2	814.40	586.10	52.40	200	2060.10	1341.36	718.74	184.23	2905.48
2018-19	407.2	773.68	586.10	0.00	300	2066.98	1378.04	688.94	267.30	3861.73
2019-20	407.2	732.96	586.10	209.60	300	2235.86	1558.88	676.98	355.28	4893.98
2020-21	407.2	692.24	586.10	209.60	300	2195.14	1737.05	458.09	450.25	5802.32

2021-22	**407.2**	**651.52**	**586.10**	**0.00**	**300**	**1944.82**	**2376.69**	**-431.87**	533.81	5904.26
2022-23	**407.2**	**610.80**	**586.10**	**52.40**	**400**	**2056.50**	**2524.10**	**-467.60**	543.19	5979.86
2023-24	**407.2**	**570.08**	**341.89**	**0.00**	**400**	**1719.17**	**2375.10**	**-655.93**	550.15	5874.07
2024-25	**407.2**	**529.36**	**0.00**	**0.00**	**400**	**1336.56**	**2623.89**	**-1287.33**	540.41	5127.16
* Net amount after accounting the amount of Rs 190.09 crore in 2015-16 and Rs 406.05 crore in the Year 2016-17 accounted by the Commission for meeting the Terminal benefits as part of Truing Up of the respective years										
** To meet the additional liability due to subsequent actuarial valuation										
# Not charged to ARR till 2021-22										

(12) But KSEBL has not taken any serious efforts to invest the surplus available with the Trust in annuities etc. In this regard, the Commission has also noted the provisions in the Clause-25 of the Byelaws of the KSEBL Employee's Master Pension and Gratuity Trust, which provide as follows;

"25. Investments & Power to Enter into Arrangements: Subject to the provisions contained in these presents, the Funds shall be invested and managed by the Board of Trustees in accordance with applicable law, including the Income Tax Act 1961, Companies Act, 1956, Companies Act 2013 and the Indian Trusts Act, 1882. The Board of Trustees may enter into arrangements with institutions such as Life Insurance Corporation, and/or such other professional fund managers, for investing the Funds in annuities, policies and other financial schemes, that would allow the Funds to earn adequate returns so as to provide the Terminal Benefits to-the Members in accordance with the terms and conditions attached thereto. The Board of Trustees shall manage the Funds efficiently and in accordance with the terms contained in these presents and shall disburse the Terminal Benefits to the Members."

However, the Board of Trustees of the Master Trust (KSEBL Management) has not taken any efforts to invest the surplus funds in annuities and to earn additional returns as envisaged in the Master Trust registered. Instead of the same, KSEBL has been utilizing the funds as its internal resources for meeting its various expenses including capital investments and also for meeting its revenue deficits. As per the terms and conditions of the Bond Certificate, KSEBL is bound to pay interest @24% per annum for not making payments to the Trust 1st April of every year.

However, for estimating the surplus fund available with the Trust, interest due to the Trust is estimated at the average interest rate of 9.20% of KSEBL claimed in this Truing Up petition for the financial year 2024-25.

6.73 The Commission has noted with concern that, Master Trust is not operating as envisaged in the Government Notifications of re-vesting dated 31.10.2013 and its amendments dated 28.01.2015. KSEBL Employee's Master Pension and Gratuity Trust is also not functioning as per its Byelaws.

6.74 The Commission has also noted that, there is huge unfunded liabilities, arrived based on the actuarial valuation done on annual basis, as envisaged in the Clause 6(9)(e) of the Re-vesting notifications of the Government dated 31.10.2013 and 28.01.2015.

Table 6.33 (a)

Year wise details of the unfunded actuarial liability (Rs. Cr)

Year	Pension liability	Gratuity liability	Leave liability	Total	FV of plan asset	Unfunded liability
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
31.10.2013	11268	719	432	12419		
2016-17	14226.54	1265.5	655.66	16147.7	12419	3728.7

2017-18	15125.37	1827.9	779.3	17732.57	12419	5313.57
2018-19	16574.58	1947.08	806.07	19327.73	12419	6908.73
2019-20	26184.78	2094.49	871	29150.27	19255.96	9894.31
2020-21	31031.37	2446.39	1034.52	34512.28	19277.72	15234.56
2021-22	32382.53	2367.16	1074.44	35824.13	18586.23	17237.9
2022-23	32788.33	2304.10	1198.01	36290.44	13733.98	22556.46
2023-24	34195.57	2257.70	1306.22	37759.49	7582.18	30177.31
2024-25	36311.05	2235.28	1407.35	39953.68	6758.20	33195.48

The Commission has also noted year wise details of the enhancement of 'defined benefit obligations, under the heads 'service cost, interest cost and due to change in financial and demographic assumptions' since the year 2019-20. The details are given below.

Table 6.33(b)
Enhancement in Defined benefit obligation of the relevant years based on the actuarial valuation

Sl No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Pension						
	(i) Service Cost	361.85	2129.57	349.52	381.08	384	437.77
	(ii)Interest cost	1231.49	1130.65	1905.70	2059.88	2262.39	2265.11
	(iii) Gain/loss due to change in assumptions	582.89	273.70	1117.59	100.48	770.82	1308.57
	(iv) Sub total	2176.23	3533.92	3372.81	2541.44	3417.21	4011.45
2	Earned leave surrender						
	(i) Service Cost	58.36	89.32	95.12	138.08	120.18	92.79
	(ii)Interest cost	59.89	56.05	59.97	66.42	79.83	82.34
	(iii) Gain/loss due to change in assumptions	6.16	99.32	8.97	51.49	37.57	190.77
	(iv) Sub total	124.41	244.69	164.06	255.99	237.58	365.90
3	Gratuity						
	(i) Service Cost	123.56	100.14	106.65	115.81	103.73	115.20
	(ii)Interest cost	144.67	135.55	150.77	153.48	156.92	149.76
	(iii) Gain/loss due to change in assumptions	7.29	288.79	-90.15	-75.82	-69.41	176.68
	(iv) Sub total	275.52	524.48	167.27	193.47	191.24	441.64
4	Total pension and related liabilities						
	(i) Service Cost	543.77	2319.03	551.29	634.97	607.91	645.76
	(ii)Interest cost	1436.05	1322.25	2116.44	2279.78	2499.14	2497.21
	(iii) Gain/loss due to change in assumptions	596.34	661.81	1036.41	76.15	738.98	1676.02
	(iv) Sub total	2576.16	4303.09	3704.14	2990.90	3846.03	4818.99

Current service cost is the increase in liability resulting from the service put in subsequently by employees coming under the pension scheme during the reporting period. Except the Year 2020-21, this liability is in the range of Rs 550.00 crore to Rs 650.00 crore annually, however there is abnormal increase of this liability by Rs

2319.03 crore in the Year 2020-21. KSEBL has not provided the reason for such excessive increase.

The Commission further noted that, the interest obligation estimated by the actuary is abnormally high, which is about Rs 2500.00 crore in the Year 2023-24 and 2024-25. The addition in liability under this head is a direct result of the inability of KSEBL to enhance the funding of the Trust to adequate level. It is noted that even though KSEBL has been booking significant portion of additional actuarial liability under the head "Employee benefits", the same also not used for enhancing the funding of the Trust.

The Commission also noted that, there is only losses every year due to change in financial and demographic assumptions, and the same has been increasing year after year, but no gain is reported under this head so far.

The Commission is of the view that, the variations in the financial and demographic assumptions used by the actuary have significant impact on the additional liability to the trust for meeting the pension payment obligations by KSEBL of its pensioners and serving employees as on date of revesting on 31.10.2013.

Further, KSEBL is yet to asses separately the total unfunded liability of the Master Trust, required at the end of the each financial year for meeting the terminal liabilities and pension payment obligation of pensioners and serving employees as on date of revesting of erstwhile KSEB into KSEBL as on 31.10.2013. This exercise also has to be carried out along with the actuarial valuation carried out for estimating the pension and related liabilities of KSEBL.

6.75 The Commission has serious concern on the huge unfunded liabilities arising year after year based on the annual actuarial valuation. As detailed in the Table above, the total unfunded terminal liabilities as on 31.03.2025 is Rs 33195.48 Crore, which includes additional liabilities on account of subsequent service put in by the employees existing as on date of transfer, on account of change in financial assumptions, demographic assumptions and experienced assessment of the valuer.

6.76 Regarding the funding of unfunded liabilities In this matter, the Regulation 30(3) of the Tariff Regulations, 2021 specified as follows.

"30(3) KSEB Ltd shall determine the up-to-date actuarial liability, draw up a proposal regarding how to fund the liability/uncovered liability and after its approval by the KSEB Board of Directors, shall submit to the Government for consideration. Once the Government has accorded approval in this regard, KSEB Ltd shall submit a petition in line with the Government approval to the Commission with the complete details indicating the assessed and approved actuarial liability and the proposal to fund this liability. The Commission shall consider this petition at the time of truing upof the accounts. Till such time, the Commission may based on a petition by KSEB Ltd consider approving a provisional amount towards the discharge of this liability."

6.77 But KSEBL has not submitted concrete proposal for how to fund this huge additional unfunded liabilities as on 31.03.2025. KSEBL has not shown seriousness on dealing with the accumulating unfunded terminal liabilities over the years. The Master Trust is not operating as envisaged in the Government Notifications of re-vesting dated 31.10.2013 and its amendments dated 28.01.2015 and as per the Byelaws of the Trust.

6.78 The Commission has also noted serious inconsistencies on the actuarial valuation conducted by the actuaries during the last few years. It is reflected in the unfunded liabilities arrived by the actuaries as detailed in the Table above. The significant addition of actuarial liability on account of changes in actuarial assumptions and experience adjustments year after year, raises serious questions. It seems that, KSEBL is not showing any interest in Master trust and related issues.

6.79 After appraising the re-vesting notifications dated 31.10.2013 and its amendment dated 28.01.2015, Tripartite Agreement signed between State Government and KSEBL Employees Unions and Associations, the Commission is of the view that, the State Government also has the responsibility to appraise the emerging liquidity issues of the Master Trust and cash crunch likely to be faced by Trust to meet its liabilities, and to evolve appropriate strategy to resolve the crisis . In this matter, the Clause 2(e) and 2(f) of the Tripartite Agreement signed among GoK, KSEBL and KSEBL unions and Associations dated 01.08.2014 provide as follows.

" 2. The State Government and KSEBL hereby guarantee that;-
….
(e)The State Government and KSEBL shall take all steps to assure the payment of pension and including the dearness relief and other terminal benefits of the existing employees and pensioners as on the date of re-vesting, in the same pattern as on today including periodical revisions as applicable. To ensure this the Government has allowed the KSEBL to retain the electricity duty for a limited initial period and the Government is open to review this retention based on the adequacy of the corpus fund thus created"
…..
'(f) If for any reason the Master Trust is not able to meet its obligations relating to payment of pensionary benefit from its fund fully or partially, the State Government and KSEBL shall make good such shortages to ensure the payment of terminal benefits without any defaults.

As above, the State Government is also responsible to ensure the working of the Master Trust and ensure availability of sufficient funds in the Trust to meet its pension payment obligations.

6.80 Considering the gravity of the issue, the Commission vide the paragraph 6.88 of the Order dated 28.06.2024 has issued the following directions to KSEBL to take up the matter with State Government.

"6.88 In these circumstances, the Commission deems it necessary to bring the attention of the Government on the need to allow KSEBL to retain a portion of the electricity duty collected to meet the pension liabilities for few more years from 01.11.2023 onwards, till the State Government and KSEBL may evolve a concrete proposal for meeting the unfunded pension liabilities as on 31.03.2023 as per the actuarial valuation done as envisaged in Clause 6(9)(e) of the Re-vesting Notifications dated 31.10.2013 and 28.01.2015. KSEBL shall take up the matter with the State Government with immediate effect and submit the status of compliance within one month from the date of this Order."

However, KSEBL failed to appraise the gravity of the issue with the State Government and not submitted the progress of compliance to the Commission.

6.81 The Commission has serious reservation on the way in which the Master Trust is working as discussed above. There is no proper coordination on the various activities

of the Trust including investing the surplus into the annuities, taking up the various directions of the Commission on this issue with the Board Management and State Government, providing details on the pension and related issues to the Commission, coordinating with the actuaries etc. This may be due to lack of knowledge and lack of interest of the personnel presently handling the Trust and related activities.

6.82 The Commission noted that, during the last two years, the pension payment obligations of the Trust is much higher than the funds available to the Trust. The details are given below.

Table 6.34
Shortage of funds to the Trust

Year	20 year Bond (funded by KSEBL)		10 year Bond (funded by GoK)	Budgetary allocation	Additional fund allowed by the Commission as part of Truing Up	Total fund available to the Trust	Pension disnbursements	Deficit
	Principal amount	Interest	Amount					
	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)	(RS.Cr)
2021-22	407.20	651.52	586.10	0.00	300.00	1944.82	2376.69	-431.87
2022-23	407.20	610.80	586.10	52.40	400.00	2056.50	2524.10	-467.60
2023-24	407.20	570.08	586.10	0.00	400.00	1963.38	2375.10	-655.93
2024-25	407.20	529.36	586.10	0.00	400.00	1922.66	2623.90	-701.24

The situation may aggravate further in the coming years, once the State Government insists remittance of the electricity duty to the Government or is adjusted against other payables by the Government.

Hence considering the gravity of the issue and its impact on the KSEBL and the State Government, the Commission hereby direct KSEBL to file appropriate proposals to meet the unfunded liabilities as per a proper actuarial valuation report as on 31.03.2025, with the approval of the Director Board of KSEBL and with the approval of the State Government.

6.83 With the above observations and concerns, the Commission as per the Regulations 30 and 34 of the Tariff Regulations, 2021, orders to allow 'interest on the Master Trust bond and its repayment' as part of the Truing Up of accounts for the Year 2024-25.

Hence, as per the provisions of the Tariff Regulations, 2021, the Commission hereby approves the 'annual repayment of the principal amount to Rs.407.20 Cr and interest @Rs. 529.36 Cr on the KSEBL bond of Rs.8144.00 Cr issued to the Master Trust created for discharging the pension liabilities.

6.84 KSEB Ltd claimed that, the interest on master trust bond and repayment of the principal of the master trust apportioned among the SBUs in the ratio of the employee strength of each SBUs of KSEB Ltd. ***Accordingly, the SBU wise details of the interest of master trust bond and repayment of principal to the master trust bond is approved for the year 2024-25 is given below.***

Table 6.35
Interest and repayment of principal to the Master Trust bond for the year 2024-25

SBUs	Interest on Master Trust bond for the Year 2024-25	Repayment of Master Trust bond for the year 2024-25
	(Rs. Cr)	(Rs. Cr)
SBU-G	25.81	21.99
SBU-T	47.40	45.81
SBU-D	456.14	339.42
Total	529.35	407.22

6.85 The Commission has also examined the proposal of KSEBL to provide an amount of Rs 400.00 crore as additional fund to the Master Trust to meet the huge unfunded actuarial liability.

6.86 As explained under the preceding paragraphs, duly considering the emerging financial crisis on the Trust for meeting the pension liabilities, and also as per the Regulations 30(3), 45(2), 58(3) and 80 of the Tariff Regulations, 2021, the Commission vide the Order dated 25.06.2022 in petition OP No. 11/2022 has ordered to approve Rs 400.00 crore as additional fund to the Master Trust, for meeting the unfunded actuarial liability.

The actuarial liability based on the latest actuarial valuation as on 31.03.2025 is much higher than that anticipated at the time of the approval of the MYT Order dated 25.06.2022.

Hence, to avoid liquidity problems to the Trust, the Commission has decided to True Up Rs 400.00 crore provisionally as additional fund to the Master Trust as provided in the MYT Order dated 25.06.2022.

6.87 The Commission hereby direct that, KSEBL shall ***within two months from the date of this Order, shall realistically assess the actuarial liability as on 31.03.2026, and submit a suitable proposal to fund the unfunded liability with the approval of the State Government. Non compliance of the direction may force the Commission to revoke the provisional approval of additional fund to the Master Trust.***

6.88 The SBU wise allocation of the additional fund to the Master Trust approved herewith is as given below

Table 6.36
Additional fund to the Master Trust for the Year 2024-25 (Rs. Cr)

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Additional contribution to Master Trust	21.60	44.98	333.42	400.00

Return on Equity

6.89 KSEB Ltd in the truing up petition has claimed return on equity at the rate of 14%. As per the petition, the total equity of KSEB Ltd is Rs.3499 Cr. The function wise break up of equity is made based on equity allocation among SBUs in the Trifurcated balance sheet. The details are given below.

Table 6.37
RoE claimed by KSEB Ltd for 2024-25

Particulars	SBU G	SBU T	SBU D	Total
	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Equity Capital	831.27	857.05	1810.73	3499.05
RoE @14% on above	116.38	119.99	253.50	489.87

Provisions in the Regulation

6.90 The Regulation 28 of the Tariff Regulations, 2021, specifies the Return on Equity and related aspects. The relevant Regulations is extracted below.

" 28. Return on Paid up Equity or Net Fixed Assets. –

(1) Return on equity shall be computed in rupee terms, on the paid up equity share capital and shall be allowed at the rate of fourteen percent (14%) per annum:

Provided that in the case of increase in the equity share capital of the generating business/ company, transmission business/ licensee, distribution business/ licensee and State Load Despatch Centre, the additional amount of equity share capital infused into the generating business/ company, transmission business/ licensee, distribution business/ licensee and State Load Despatch Centre, and approved by the Commission for the assets put to its intended use shall be provided with ROE at 14% per annum on pro rata basis from the date of issuance of the equity shares:

Provided further that the generating business/ company, transmission business/ licensee, distribution business/ licensee and State Load Despatch Centre shall provide the complete details of the source of funding for such equity share capital.

(2) If there is no equity share capital invested in the business or the equity invested in the regulated business of the generating business/ company or transmission business/ licensee or distribution business/ licensee or State Load Despatch Centre or such equity share capital is not clearly identifiable, return at therate of 5.50 percent shall be allowed on the net fixed assets at the beginning of the financial year for such regulated business:

Provided that the net fixed assets shall be exclusive of the assets created out of consumer contribution, deposit works, capital subsidy or grants."

6.91 Further, the Regulation 34 of the Tariff Regulations, 2021 specify as follows.

"34. Principles for adoption of Transfer Scheme for KSEB under Section 131 of theAct.-

The Commission may, for the purpose of approval of the Aggregate Revenue Requirements and determination of tariff, adopt the changes in the balance sheet, due to the re-organization of the erstwhile Kerala State Electricity Board, as per the provisions of the Transfer Scheme published by the Kerala State Government underSection 131 of the Act, subject to the following principles:-

(i) Increase in the value of assets consequent to the revaluation of assets shall notqualify for computation of depreciation or for return on net fixed assets;

(ii) The equity of the Government of Kerala as per the above Transfer Scheme published vide Government Order No. GO(P) 46/2013/PD dated 31.10.2013 andGO(P) No. 3/2015/PD dated 28.01.2015 under Section 131 of the Act will be considered for computation of return on equity;

(iii) *The reduction of the contribution received from the consumers, grants and such other subventions for creation of assets, made as part of Transfer Scheme, shallnot be considered while computing the depreciation;*

(iv) *The amounts required for the payment of interest on the bonds issued to the Master Trust and for the principal repayment of such bonds shall be reckoned for computation of Aggregate Revenue Requirement and for truing up of accounts;*

(v) *The Commission will subject to the petition by KSEB Ltd may take appropriate decision on the other issues relating to the Transfer Scheme and its implementation, on case to case basis.*

Analysis and decision of the Commission

6.92 The Commission has carefully considered the issue of equity especially with regard to the amount that is required to be considered for its returns. KSEB Ltd in their submission has claimed RoE @ of 14% per annum for an equity amount of Rs.3499 Cr.

6.93 KSEB Ltd has submitted that Regulation 34(ii) provides that equity of the Government of Kerala as per the transfer scheme published under section 131 of the Act will be considered for computation of return on equity. As per clause 5 of the second transfer scheme "Kerala Electricity Second Transfer Scheme (Revesting) 2013" notified by Government of Kerala vide G.O.(P) No.46/2013/PD dated 13-10-2013, asset and liabilities of the erstwhile KSEB, which was vested into Government of Kerala, has been revested into the Company namely Kerala State Electricity Board Limited and opening balance sheet has been notified as part II of Schedule A of the said G.O, with an Equity amount of Rs.3499 Cr.

6.94 The Commission also notes that in compliance to the above GO, KSEB Ltd has issued 349,92,00,000 equity shares of Rs.10 each in favour of Government Kerala for Rs.3499 Cr as per the provisions of the Companies Act, 2013, dealing with the issue of equity shares and its allotments. In this regard the Commission is satisfied that the allotment of equity shares for Rs.3499.20 Cr in compliance to the GO conforms to the requirement for allotment of equity shares as per the provisions of the Companies Act, 2013. It was on this basis that, the Commission while considering the truing up petitions of KSEB Ltd for 2015-16, 2016-17, 2017-18, 2018-19. 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 had recognized the equity amount as Rs. 3499 Cr and allowed RoE @ of 14% per annum.

6.95 Considering the above facts, the Commission is of the considered view that the claim of KSEB Ltd for an RoE @ 14% per annum for an amount of Rs.3499 Cr is established and justified.

6.96 As per the provisions of the Regulation 34 of the Tariff Regulations 2021, the Commission is allowing the amount of equity as per the provisions of the Transfer Scheme and RoE of 14% is permissible on this amount of equity.

6.97 ***Accordingly, the Commission hereby allow return at the rate of 14% on the Government equity of Rs.3499.00 Cr as part of approval of the Truing up of accounts for the year 2024- 25. The details are given below.***

Table 6.38
RoE approved for the year 2024-25

Particulars	SBU G	SBU T	SBU D	Total
	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Equity Capital	831.27	857.05	1810.73	3499.05
RoE @14% on above	**116.38**	**119.99**	**253.50**	**489.87**

Other expenses

6.98 Details of 'other expenses' as per the Note No. 38 of the audited accounts is given below.

Table 6.39
Details of other expenses as per audited accounts for the year 2024-25

No	Particulars	SBU G	SBU T	SBU D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Discount to Consumers	0.00	0.00	4.04	4.04
2	Loss on account of flood/ cyclone, compensation etc	0.00	0.00	3.87	3.87
3	Miscellaneous Losses, write offs and Provisions	14.10	0.00	87.36	101.46
	TOTAL	14.10	0.00	95.27	109.37

Out of the above, Rs.4.04 Cr is the discount allowed to the consumers for advance remittance of electricity charges.

6.99 The details of the losses on account of flood etc claimed in the year 2024-25 is given below.

Table 6.40
Details of losses on account of flood etc for the year 2024-25

Particulars	Amount (Rs Cr)
Compensation For Injuries, Death & Damage-Staff	0.79
Compensation For Injuries, Death & Damage-Outsider	3.08
TOTAL	**3.87**

6.100 The details of the miscellaneous losses and write offs as per the audited accounts is given below.

Table 6.41
Details of the miscellaneous losses and write offs as per audited accounts

Particulars	Amount (Rs.Cr)
Withdrawal of Prior Period Credit to Revenue	32.58
Provision for Doubtful debts	46.18
Provision for Doubtful debts for old receivable	22.7
Total	**101.46**

6.101 KSEBL submitted that, withdrawal of prior period credit to revenue represent the withdrawal of amounts already booked as revenue due to error, omission, directions of appeal authorities etc. The details of the withdrawal of credit during the year 2024-25 is given as Annexure-6.1 to this Order. KSEB Ltd has claimed Rs.12.58 Cr under this head.

Analysis and Decision of the Commission

6.102 The Commission has examined the other expenses claimed by KSEB Ltd in detail. Since the discount to consumers amounts to Rs 4.04 Crore for advance remittance is a genuine expense and it also benefits the licensee and its consumers, the Commission hereby approve the same for the purpose of Truing Up for 2024-25.

6.103 The Commission has also decided to allow the loss on account of floods etc, amounts to Rs 3.87 crore, which is incurred towards compensation for injuries, death, damages etc.

6.104 The Commission has also examined the miscellaneous losses and write offs amounts to Rs 32.58 Crore pertains to the withdrawal of prior period credit to revenue, based on the specific orders and directions appeal authorities, error, omissions etc.

6.105 As per the provisions of the Tariff Regulations, 2021, there is no provision to allow the provisions created for doubtful debts and doubtful debts for old receivables. Accordingly, details of other expenses approved for the purpose of Truing Up for the year 2024-25 is given below.

Table 6.42
Details of other expenses approved for the Year 2024-25

No	Particulars	SBU G	SBU T	SBU D	Total
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Discount to Consumers			4.04	4.04
3	Loss on account of flood/ cyclone, Compensation etc.			3.87	3.87
4	Miscellaneous Losses and Write Offs			32.58	32.58
	TOTAL			40.49	40.49

Exceptional items

6.106 KSEB Ltd submitted that, expenses incurred for the restoration of assets damaged due to natural calamities are accounted under the head. KSEBL also submitted that, the compensation of loss taken over by the GoK also included under this head. The details are given below.

Table 6.43
Details of exceptional items claimed by KSEB Ltd

Sl No	Particulars	Amount (Rs. Cr)
1	O&M work related to Natural Calamity-Plant& Machinery	0.04
2	Payment to contractors-O&M work related to natural calamity-Building	0.01
3	Payment to contractors- O&M work related to natural calamity-civil works	0.11
4	Payment to contractor-natural calamity-Hydraulic works	0.00
5	Payment to contractors for the O&M work related to natural Calamity-Line,Cable	18.22
6	Compensation of Loss taken over by Government of Kerala	0.00
7	**TOTAL**	**18.38**

6.107 The SBU wise details of the exceptional items claimed by KSEB Ltd is given below.

Table 6.44
SBU wise breakup of exceptional items claimed by KSEB Ltd for 2024-25

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Exceptional items-R&M	0.09	0.05	18.24	18.38

KSEB Ltd requested to approve the amount of Rs 18.38 crore, excluding the compensation of loss taken over by Government, as exceptional items as one time expenses.

6.108 KSEBL also submitted that, Government of Kerala had taken over 90% of the loss sustained by KSEBL in 2023-24 amounting to Rs.494.29 Cr to fulfill the entry level condition for additional borrowing space of 0.50% on GSDP linked to performance in the power sector.

As per the audited accounts of KSEBL, a total loss of Rs.549.21 Cr is reported for 2023-24 and 90% of the same comes to Rs.494.29 Cr. Government of Kerala vide G.O(Rt) No.245/2024/Power dtd 26.12.2024 had ordered to release an amount of Rs.494.29 Cr and the same was adjusted against the electricity duty collected and retained with KSEBL vide GO(Ms) No.138/2025/FIN, dated 02.11.2025. The item was accounted during the financial year 2024-25 under the head Exceptional Items.

KSEBL further submitted that the Commission while truing up the accounts for the year 2023-24 has considered the amount of Rs.494.29 Cr while determining the trued-up revenue gap. Hence KSEBL requested that the amount in the accounts may not be considered while truing up for the year 2024-25 as the same has already been considered in 2023-24.

Analysis and Decision of the Commission

6.109 The Commission is aware of the fact that, during monsoon seasons, the State faces huge deluge, which results in massive loss of life and property. KSEB Ltd has submitted that, the expenses claimed towards exceptional items were the cost of repairs and maintenance incurred for the natural calamities. KSEBL further submitted that, separate account codes were provided to identify the cost incurred for the natural calamities separately.

While approving the Truing Up of accounts of KSEBL for the Year 2023-24 vide the Order dated 30.06.2025 in petition OP No. 49/2024, Commission has taken into consideration the part of the revenue loss amounting to Rs 494.29 Crore taken over by the State Government vide the Orders dated 26.12.2024.

6.110 ***Considering the facts and circumstances as above, the Commission hereby approves Rs.18.38 Cr towards exceptional items as claimed by KSEB Ltd in Table 6.44 above.***

Non-Tariff Income

6.111 KSEB Ltd submitted that, vide the ARR&ERC Order dated 25.06.2022, the Commission had approved Rs.910.28 Cr under Non-tariff Income for 2024-25, but claimed Rs.965.10 Cr for the purpose of Truing up of accounts for the year 2024-25. KSEB Ltd further submitted that, the Non Tariff income as per the audited accounts is

Rs.1820.97 Cr. KSEBL has submitted the reasons for the deviations, which are detailed the following paragraphs.

6.112 The details of the Non-tariff income disclosed in the audited accounts is given below.

Table 6.45
Non-tariff income as per the audited accounts for the Year 2024-25

Sl. No	Particulars	SBU G	SBU T	SBU D	Total
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
A	Revenue booked under Note No. 29 A				
1	Miscellaneous receipts / charges from interstate trading of energy			30.63	30.63
2	Meter rent / service line rental			111.39	111.39
3	Recovery of theft / malpractices			4.08	4.08
4	Wheeling charges recoveries			2.45	2.45
5	Miscellaneous charges from consumers			153.65	153.65
	Revenue booked under Note No. 29(A)(Revenue from Operations) considered as Non-Tariff Income (A)	0.00	0.00	**302.20**	**302.20**
B	Revenue booked under Note No 29 B				
6	Rebate received			148.72	148.72
7	Interest-Advance to suppliers / contractors	7.76	15.49	-16.88	6.37
8	Income from sale of bulb, scrap, tender forms etc	4.07	23.77	53.30	81.14
9	Performance Incentive from MNRE	172.26			172.26
10	Miscellaneous receipts	19.89	28.21	98.56	146.66
	Sub Total (B)	**203.98**	**67.47**	**283.70**	**555.15**
C	**Other income as per Note 30 of Annual accounts**				
1	Interest on belated payment charges	0.00	0.00	185.47	185.47
2	Interest-Staff loans and advances	0.00	0.00	0.00	0.00
3	Interest income on recognition of fair valuation of receivable from KWA	0.00	0.00	114.75	114.75
4	Interest from loans & others				
5	Interest from banks	3.76	4.62	15.59	23.97
6	Interest on tax deducted at source	0.10	0.19	0.29	0.58
7	Claw back of grants	4.93	59.43	378.71	443.07
8	Dividend received from RCPKL	0.00	0.00	0.08	0.08
9	Reversal of excess for interest on Security Deposit.	0.00	0.00	171.56	171.56
10	Other receipts	4.03	8.05	12.06	24.14
	Sub Total (C)	**12.82**	**72.29**	**878.51**	**963.62**
D= (A+B+C)	**Income as per Accounts considered as non-tariff income**	**216.80**	**139.76**	**1464.41**	**1820.97**

6.113 KSEB Ltd has submitted the following additional details in support of the Non-Tariff Income claimed in the petition for the approval of the Truing Up of accounts.

(1) The details of the 'miscellaneous charges from consumers claimed for Rs.153.65 Cr as per Note 29A of the audited accounts is given as **Annexure-6.2** to this Order.

(2) The details of the income booked under miscellaneous receipts from interstate trading of energy amounts to Rs. 30.63 Cr from Inter State Trading of Energy under Note 29A of the audited accounts is given as **Annexure-6.3** to this Order.

(3) The details of the miscellaneous receipt from consumers amounts to Rs.146.66 Cr is given as **Annexure-6.4** to this Order.

(4) The details of the income from sale of bulb, scrap/tender form etc amounting to Rs.81.144 Cr is given as **Annexure-6.5** to this Order.

6.114 KSEB Ltd has claimed to have the following adjustments from the total Non-tariff Income of Rs.1820.97, for the purposes of Truing up of accounts for the Year 2024-25.

(1) Claw back of consumer contribution and grants.

Out of the total non-tariff income of Rs.1820.97 Cr, Rs. 443.07 Cr pertains to the claw back of grant.

KSEB Ltd submitted that, in the audited accounts (Note no.36) the depreciation is provided on all assets including the assets created out of consumer contribution and grants. Accordingly, an amount of Rs. 2098.84 Cr was provided as depreciation in the audited accounts. As per the audited accounts, the depreciation on the assets created out of consumer contribution and grants, claimed as claw back of grant under other income.

However, as per the provisions of the Tariff Regulations, depreciation is not allowed on the assets created out of consumer contribution and grants. Accordingly, the total depreciation claimed for the year 2024-25 is limited to Rs.861.95 Cr only. Since for the purposes of Truing Up, the depreciation is not claimed on the assets created out of consumer contribution and grants, KSEB Ltd proposes to deduct the 'claw back of grant amounting to Rs.443.07 Cr from the Non-tariff income as per the audited accounts.

(2) Interest income of KWA Arrears

KSEB Ltd submitted that, Government of Kerala, as per order No. G.O. (Rt) No. 10/2019/Power dated 14.01.2019 has accorded sanction to settle the electricity dues of KWA for an amount of Rs.1326.69 Cr (including interest @ 6% of Rs.263.71 Cr) till 30.09.2018 in four annual instalments @Rs.331.67 Cr from 2019-20 onwards.

During the year 2024-25, an amount of Rs 60.00 crore was netted off against Government dues as part of the fourth instalment of KWA arrears taken over by the Government, which includes the interest of Rs 11.92 crore. KSEBL requested to True up the same in the process of Truing up for the year 2024-25.

(3) Payment of KWA arrears as per the GO (Rt) No. 45/2024/Power dated 12.03.2024

GoK vide the Order GO (Rt) No. 45/2024/Power dated 12.03.2024, ordered to take over the arrears of KWA amounts to Rs 2068.07 crore, and ordered to release the amount in 10 equal instalments of Rs 206.80 crore from financial year 2024-25 onwards.

KSEBL has claimed Rs 339.61 Crore towards interest on KWA arrears taken over by Government and claimed the same as interest income as part of Non tariff Income in the year 2023-24. But the Commission has not approved the

same, and ordered that, the interest of the arrears shall be True up every years from 2024-25 onwards, based on the actual receipt of the equated annual instalments of Rs 206.80 crore.

KSEBL further submitted that, it had accounted Rs 706.89 crore as finance cost on fair valuation of kWA arrears under the head of finance cost in the financial costs and charged to P&L accounts. KSEBL also submitted that, an amount of Rs 114.75 crore is accounted as income on recognition of fair valuation of receivable from KWA in the Year 2024-25. KSEBL requested to exclude the same as income in the process of Truing Up.

Government vide the Orders dated GO (Ms) No. 25/2025/Fin dated 21.02.2025 and GO (Ms) No. 27/2025/Fin dated 06.03.2025 ordered to netted off Rs 206.80 crore as 1st instalment of KWA arrears as per the GO (Rt) No. 45/2024/Power dated 12.03.2024. The proportionate amount of interest included is Rs 33.96 crore, which is added back to the Non-tariff income of the Year 2024-25.

(4) Cost of LED bulbs amounts to Rs. 0.12 Cr.

KSEB Ltd submitted that, income from sale of scrap/tender form amounting to Rs. 81.15 Cr includes Rs. 0.17 Cr towards sale proceeds of LED bulbs. Further, the cost of LED bulbs amounting to Rs. 0.12 Cr has been accounted under A&G expenses. KSEBL further submitted that, the net income of Rs.0.05 Cr after excluding the cost of LED bulb from the sale proceeds only be Trued Up for the Year 2024-25.

The details of the income to be Trued up on account of LED transaction for the year 2024-25 is given below.

Table 6.46
Details of income to be Trued Up on account of LED transaction

Particulars	Rs.Cr
Sale proceeds of LED bulbs (Note 29 B of Annual Accounts)	0.17
Cost of LED bulbs (Note 37 of Annual Accounts)	0.12
Income sought for Trued Up	0.05

(5) Performance incentive from MNRE during the Year 2024-25 KSEBL submitted that, an amount of Rs 172.26 crore was received during the Year 2024-25 from MNRE for implementing the Grid connected Roof Top Solar Phase-II Scheme. As per the guidelines of the Scheme, these incentives may bot be part of Tariff determination of SERC. Hence KSEBL excluded the same from Non Tariff Income.

(6) Excess provision for interest on security deposit reversed
KSEBL submitted that, it had reversed a provision of Rs 171.55 crore towards interest on security deposit from 2006-07 to 2023-24 as the same was not disbursed. The reversal represent a change in estimate and has been accounted for prospectively. KSEBL further submitted that, since the interest on security deposit is considered on cash basis and the actual disbursement alone is Trued up by the Commission, the reversal of the undisbursed interest on security deposit need not be considered in regulatory accounts.

6.115 The SBU wise details of the Non-tariff income claimed by KSEB Ltd for the purpose of Truing Up for the year 2024-25 is given below.

Table 6.47
Non-tariff Income claimed for the purpose of Truing Up for the year 2024-25

Sl. No	Particulars	SBU G	SBU T	SBU D	Total
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Income as per Accounts considered as non-tariff income as per Table 5.49	216.80	139.76	1464.41	1820.97
2	Less: Items sought to be excluded in TU				
I	Claw back of grant-Considered separately	4.93	59.43	378.71	443.07
ii	Cost of LED Bulbs booked under A&G expenses	0.00	0.00	0.12	0.12
iii	Income under Nilaavu Scheme	0.00	0.00	0.00	0.00
Iv	Excess Provision for interest on security Deposit reversed	0.00	0.00	171.55	171.55
v	Unrealized interest in respect of KWA arrear taken over by the Government of Kerala	0.00	0.00	114.75	114.75
vi	Performance Incentive from MNRE	172.26	0.00	0.00	172.26
vii	Total exclusions (I to V)	177.19	59.43	665.13	901.75
3	Add: Items sought to be considered in True up				
	Interest on KWA arrears released by GOK	0.00	0.00	11.92	11.92
	Interest on KWA arrears released by GOK	0.00	0.00	33.96	33.96
4	**NT Income sought for TU 2024-25 (1-2+3)**	**39.61**	**80.33**	**845.16**	**965.10**

Analysis and Decision of the Commission

6.116 Commission has examined the Non-tariff income claimed by KSEB Ltd for the purpose of Truing up for the Year 2024-25, and noted the following;

(1) Commission has been allowing the depreciation on the historical cost of assets excluding the assets created out of consumer contribution and grants, and also not allowing the depreciation on the revalued assets.

However, in the audited accounts, the depreciation is provided on the total assets including the assets created out of consumer contribution and grants. Further, the claw back of grant on the assets created out of consumer contribution and grant is accounted as an income under Other Income.

Hence the Commission agrees with the proposal of KSEB Ltd to exclude the claw back of grant from the Other Income as provided under Note-30 of the audited accounts.

(2) Commission has noted the reversal provision of Rs 171.55 crore towards interest on security deposit created in the previous years. KSEBL claimed that, the reversal is necessitated due to change in estimate for the same provided in the previous years.

Commission has been approving the interest on security deposit for the purpose of Truing Up based on the actual disbursement and not based on the estimate provided by KSEBL in the audited accounts.

Considering these aspects in detail, Commission has decided to consider the same for the purpose of Truing Up.

(3) Commission has also noted interest income of Rs 11.92 crore included in the fourth installment of KWA arrears upto 30.09.2018 which is received during the Year 2024-25. Commission considered the same as non-tariff income during the Year 2024-25.

(4) The Commission has also examined the Government Order dated 12.03.2024, to take over the arrears of KWA upto 31.10.2023 by State Government to the tune of Rs 2068.07 crore and ordered to release the amount in 10 yearly installment from 2024-25 onwards. As part of the settlement, KSEBL has accounted the interest part of the arrears amounts to Rs 339.61 crore as income during the Year 2023-24 on accrual basis though the amount was not received during the year.

In the previous orders on Truing Up, the Commission has taken the stand that, interest on outstanding arrears may be recognized on actual receipt basis, as and when the same is received in installments as ordered by the State Government.

Government vide the Orders dated GO (Ms) No. 25/2025/Fin dated 21.02.2025 and GO (Ms) No. 27/2025/Fin dated 06.03.2025 ordered to netted off Rs 206.80 crore as 1st installment of KWA arrears as per the GO (Rt) No. 45/2024/Power dated 12.03.2024. The proportionate amount of interest included in the amount is Rs 33.96 crore. Commission decided to consider Rs 33.96 crore as interest income for the year 2024-25.

(5) Commission has examined Rs 114.75 crore provided in the audited accounts as income on fair valuation of receivables from KWA in the Year 2024-25. KSEBL requested that, this amount may be excluded from 'non tariff income' in the process of truing up of accounts. In this matter, Commission has noted the following;

- Electricity arrears of KWA upto 31.10.2023 amounts to Rs 2068.00 crore is ordered to taken over by the Government. But the same is agreed to release to KSEBL subsequently in 10 yearly installment from 2024-25 to 2033-34. This arrears includes principal amount of Rs 1728.47 crore and interest of Rs 339.61 crore.

- On accrual basis, the principal amount of Rs 1728.47 crore due from KWA upto 31.10.2023 is already accounted as revenue receipt in books of accounts even though the same is not received from KWA. In the regulatory accounts, which is the basis for tariff determination also, revenue from tariff is accounted on accrual basis.

- Hence, in order to meet the revenue shortfall due to the non payment of electricity charges of KWA is being met by availing short-term loan at high interest rates. As per the Truing Up of accounts, average rate of interest of loans availed by KSEBL for the year 2024-25 is 9.20%.

- Hence, due to the delay in release of the arrears taken by Government over a period of 10 years, KSEBL may be forced to avail short term loans

at high interest rates for the balance amounts at end of each financial years from 2024-25 to 2033-34.

The interest on such short-term loans on account of delay in release the arrears taken over by the Government may also be passed on to the electricity consumers, if the same is not recovered from the Government as part of the arrears of KWA.

- KSEBL was provided Rs 706.89 crore as 'finance cost of fair valuation of the amount receivable from KWA arrears' in the audited accounts of KSEBL for the year 2023-24. Further, KSEBL has provided Rs 114.75 crore as income on fair valuation of receivables from KWA in the Year 2024-25.

- Considering these aspects in detail, Commission has decided to recognise the interest income of Rs 114.75 crore as income to avoid interest burden on this account to the electricity consumers of the State. KSEBL shall taken up the matter with State Government to recover the interest income of the amount taken over by the Government as on 31.10.2023 also as part of arrears in the subsequent adjust of netting off dues of KWA.

(6) Performance incentive of Rs 172.46 crore received from MNRE

(i) KSEBL submitted that, they had received Rs 172.26 crore from MNRE as performance incentives in respect of the years 2021-22, 2022-23 and 2023-24 for the implementation of 'Grid Connected Rooftop Solar Phase-II Scheme'. As per the guidelines of the scheme, these incentives may not be part of Tariff determination and tariff rationalization.

Commission further noted that, KSEBL has claimed Rs 24.18 crore as refund of registration charges to solar prosumers in the year 2024-25, as per Regulation 19(3)(vii) of the KSERC (Renewable Energy and Net Metering) Regulations, 2020.

(ii) Commission noted that, Ministry of New and Renewable Energy (MNRE), Government of India (GoI) vide the office memorandum No. 318/17/2024 dated 18.07.2024 has notified the 'Operational Guidelines for Implementation of Component "Incentives to Discoms" under PM-Suryaghar: Muft Bijli Yojana'.

Paragraph-6 of the guidelines dealt with 'Utilisation of the funds' under the Scheme. Relevant paragraphs are extracted below;

"6) Utilization of the funds
a) The total incentives to a DISCOM shall be in the nature of untied funds, except for the following mandatory provisions.

i) DISCOMs shall create dedicated RTS teams at Discom HQ, Circle, till division level, by provisioning for hiring of contractual manpower within the scheme, or to include RTS related services in the duties of outsourcing companies hired by DISCOMs. The RTS division shall be responsible for

registration of vendors on the National Portal, up gradation in ERP system/components and integration with national portal and national dashboard, providing time bound services to RTS consumers, inspection and online monitoring of RTS plants, online database management of commissioned capacity, consumer awareness and publicity, ensuring availability of net-meters, providing grid connectivity, capacity building of its officers/staff, etc.

ii) The DISCOMs shall allocate 10% of the incentives received (up to Rs. 1 crore) for rewards system for DISCOM officials and functionaries. The model rewards system framework is outlined in Annex 1, which may be modified by the DISCOM as per its own requirement. The expenditure for the rewards system shall be borne through the Incentives to DISCOMs component. If the incentives to DISCOMs component is insufficient to meet the same, the balance expenditure may be borne through the Service Charge scheme component received by DISCOM.

iii) The DISCOM shall allocate at least 50 % of the incentives (up to Rs 1 crore of allocation per division) for dedicated utilization at the division and subdivisional level. This provision shall be utilized by the Division and Sub-divisional units for administrative expenses, outsourcing of services for facilitating rooftop solar related activities, payment for contractual/outsourced/other positions for manpower utilized primarily for rooftop solar related activities, capacity building activities, organization of consumer-vendor-bankers melas, IEC activities, grievance redressal, establishment of meter testing benches and associated manpower and improving consumer experience for rooftop solar installation and related activities.

b) The utilization of the funds shall not be double accounted with any other central scheme (like Revamped Distribution Sector Scheme (RDSS), Integrated Power Development Scheme (IPDS), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) or Prime Minister's Development Package (PMDP)-2015), and that the audited report shall be attached with the Fund Utilization Report.

c) The DISCOMs shall submit a fund utilization plan in adherence to the above clauses while submitted the claim. The above mentioned expenses incurred by the DISCOM after release shall be duly recorded in the Fund Utilization Report along with the necessary receipts, where ever applicable, before the DISCOM submits the claim for the next financial year. Failure to submit either the fund utilization plan at the time of claim submission or the fund utilization report or failure to adhere to the provisions of these guidelines shall make the DISCOM claims liable to be rejected.

d) No incentive amount remaining after utilization under clauses a (i) and (ii) above can be used by the DISCOM as a part of their balance sheet until the obligatory terms and conditions of utilization of DISCOM incentives have been met.

e) As the incentives are proposed for specific expenditure mentioned above, the incentives may not be a part of Tariff Determination & Tariff Rationalization process of respective Electricity Regulatory Commission. "

(iii) As above, KSEBL can meet the **administrative expense** of the dedicated RTS teams at the head quarters, circle level and division level by utilising the incentives. Further, the fund can also be used for facilitating roof top solar and related activities, payment for facilitating solar roof top solar related activities, providing time bound services to RTS consumers, capacity building activities, meter testing facilities etc.

It is also specified in the guidelines that, KSEBL as the DISCOM shall submit a utilisation plan of the funds in adherence to the above clause. It is also specified the guidelines that, failure to submit fund utilisation plan/ fund utilisation report shall make the DISCOM claims liable to be rejected.

It is clearly specified in the guidelines that, the performance incentive shall be utilised only for the specific purposes specified in the guidelines.

(iv) Commission has directed KSEBL to submit copies of the utilisation certificate of the performance incentives as mandated in the guidelines dated 18.07.2024. However KSEBL has not provided a copy of the same to the Commission and submitted that, 'there is no stipulation regarding submission of separate utilisation of the performance incentive under the scheme.

(v) Commission further noted that, there is a separate cell functioning under Chief Engineer (Renewable Energy and Energy Savings) in KSEBL for facilitating RTS in the State of Kerala. KSEBL has also created on line portal and other facilities for granting registration, connectivity and other facilities for the solar installations. KSEBL has also engaged staff and officers at circle, division and section office levels for facilitating solar installations. Over the years, the administrative expenses of these staff and officers are allowed by the Commission as part of the normative employee cost. Further, the administration and general expenses, repair and maintenances etc also allowed by the Commission as part of O&M expenses of KSEBL. These expenses already incurred are passing on to the consumers through retail tariff. Considering these reasons, Commission has decided to treat performance incentive of Rs 172.26 crore received as part of the 'Non-tariff income' of KSEBL.

However, in the subsequent years, KSEBL can claim the utilisation of the MNRE performance incentive separately, so that Commission can deduct the portion of the incentive used for administration expenses from the normative O&M expenses.

(vi) Commission after appraising the entire matter in detail, has provisionally account the performance incentive of Rs 172.26 crore received from MNRE as Non Tariff Income of KSEBL for the Year 2024-25.

(7) The Commission noted that, as per the accounting practices followed by KSEB Ltd, the cost of LED bulbs is accounted under A&G expenses, whereas the revenue proceeds through sale of LED bulbs under revenue from operations under Note No. 29(B) of the audited accounts.

Since the Commission is allowing the A&G expenses on normative basis, the Commission decided to allow the net revenue earned through the sale of LED bulb as part of the Non-tariff Income.

The Commission also noted the submission of KSEB Ltd that, the expenses connected with the implementation of the Nilavu Scheme was not fully captured in the book of accounts for the year 20204-25, and hence suggested to True Up the same in the later years.

6.117 ***The Commission, after appraising the entire aspects of Non-tariff income claimed as discussed above, hereby approve the Non Tariff Income for the purpose of Truing Up as detailed below.***

Table-6.48
Non-Tariff Income approved for the purpose of Truing Up for the Year 2024-25

Sl. No	Particulars	KSEBL claim for Truing Up				KSERC Approval			
		SBU G	SBU T	SBU D	Total	SBU G	SBU T	SBU D	Total
		(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
1	Income as per Accounts considered as non-tariff income as per Table 5.49	216.80	139.76	1464.41	1820.97	216.80	139.76	1464.41	1820.97
2	Less: Items sought to be excluded in TU								
I	Claw back of grant-Considered separately	4.93	59.43	378.71	443.07	4.93	59.43	378.71	443.07
ii	Cost of LED Bulbs booked under A&G expenses	0.00	0.00	0.12	0.12	0.00	0.00	0.12	0.12
iii	Excess Provision for interest on security Deposit reversed	0.00	0.00	171.55	171.55	0.00	0.00	171.55	171.55
Iv	Unrealized interest in respect of KWA arrear taken over by the	0.00	0.00	114.75	114.75	0	0	0	0
v	Performance Incentive from MNRE	172.26	0.00	0.00	172.26	0	0	0	0
vi	Total exclusions (I to V)	177.19	59.43	665.13	901.75	4.93	59.43	550.38	614.74
3	Add: Items sought to be considered in True up								
	Interest on KWA arrears released by GOK	0.00	0.00	11.92	11.92	0.00	0.00	11.92	11.92
	Interest on KWA arrears released by GOK	0.00	0.00	33.96	33.96	0.00	0.00	33.96	33.96
4	NT Income sought for TU 2024-25 (1-2+3)	39.61	80.33	845.16	965.10	211.87	80.33	959.91	1252.11

Amortisation of software development cost as 'intangible assets'

6.118 KSEBL vide the Truing petition for the year 2024-25 has submitted that, the licensee has developed in house software on major functional areas viz. Human Resource Information System, Accounting software, billing etc. The employee cost attributable to the software developments were capitalised as intangible assets and was amortized during 2024-25 as given below.

Table 6.49
Amortization of software development cost as intangible assets

Item	SBU G	SBU T	SBU D	Total
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
Amortization of Intangible Assets – Software development cost	1.32	1.32	10.58	13.22

6.119 KSEBL claimed that, software development cost was not included in the O&M cost approved by the Commission for the Year 2018-19. While determining the norms for O&M cost in the Tariff Regulations, 2021, the O&M cost approved vide the ARR order dated 08.07.2019 is taken as the base.

The software development cost booked under intangible asset for the period from 2017-18 onwards was not captured in the O&M norms arrived for the Year 2018-19 and norms as per the Tariff Regulations, 201. Hence KSEBL requested to approve the amortisation of the software development cost as above for the purpose of Truing Up of accounts for the Year 2024-25.

Analysis and Decision of the Commission

6.120 KSEBL has claimed Rs 12.04 crore towards amortisation of 'soft ware development cost' as intangible assets for the Year 2023-24. However, Commission vide the Order dated 30.06.2025 in petition No. 49/2024 has rejected the claim of KSEBL. Relevant portion of the Order of the Commission is extracted below.

"6.117 The Commission has examined in detail the submission of KSEBL and noted the following.

(1) A full-fledged IT wing headed by one Chief Engineer is functioning in the corporate office of KSEBL. Among other things, KSEBL has been developing and using inhouse software including the billing software ORUMA/ ORUMA net, accounting software SARAS/ SAMAGRA, HRIS software etc. The employees under the IT wing has been engaged in developing, implementing and maintaining these software over the years.

(2) However, in the previous years KSEBL has not claimed amortization of the software development cost under intangible asset as part of Truing Up process.

(3) This Commission has been approving the O&M cost including the employee cost on normative basis. The norms approved by the Commission is inclusive of the employees functioning under IT wing also.

(4) Further, even with the repeated directions, KSEBL could not submit sufficient details to substantiate their claim including the number of personals engaged in developing the softwares, whether they are included in the norms of O&M

cost provided in the Tariff Regulations, 2021. Without such details, the Commission could not appraise the claim of KSEBL.

(5) The Commission further clarified that, the purpose of audited accounts and the regulatory accounts approved by the Commission are for different purpose. In the regulatory process, the Commission is bound to pass on the prudent expenses only to the consumers through retail tariff.

(6) However, KSEBL may at its liberty submit the necessary and sufficient details of such claim with documentary evidence that, the amortization expenses of software development cost will not include the employee cost approved by the Commission as per the norms specified in the Regulation.

6.118 With the above observation and comments, the Commission hereby reject the proposals of KSEBL to amortize software development cost under intangible assets for accounting the cost of employees engaged in the software development."

6.121 Commission has noted that, in this petition for approval of Truing Up of accounts for the Year 2024-25 also, KSEBL could not submit the necessary details with justification for claiming the 'soft ware development cost' as intangible asset' for the Year 2024-25. Hence the Commission reject the claim of KSEBL.

Interest on Employees Provident Fund

6.122 KSEB Ltd submitted that, vide the ARR&ERC Order dated 25.06.2022, Commission has approved Rs 242.06 crore towards interest on GPF for the Year 2024-25. As against the same, the actual interest on GPF was Rs 182.21 crore. al interest paid on PF during the Year 2023-24 was 193.67 crore.

KSEBL further submitted that, while approving the ARR, the Commission has considered the average GPF balance for the Year 2024-25 as Rs 3409.32 crore and the GPF interest rate @7.10%.

However, the actual average PF balance during the Year 2024-25 is Rs 2518,80 crore and the interest rate for employees provident fund was Rs 7.10%.

The SBU wise details of the interest on GPF claimed by KSEBL is given below.

Table 6.50
Interest on GPF

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Interest on GPF	8.88	16.32	157.01	182.21

Analysis and decision of the Commission

6.123 KSEBL has been utilizing the GPF contribution of its employees as its internal resources for meeting a part of the approved unbridged revenue gap. Since the interest cost of the employees provident fund is much less than the interest on short term borrowings, the Commission has also been approving the interest on GPF as part of the ARR and Truing Up of KSEBL in the respective years.

6.124 As per the **Note 23 of the** audited accounts, the opening balance of GPF was Rs 2525.63 Cr and the closing balance was Rs.2511.97 crore, thus the average GPF balance during the Year 2024-25 is 2518.80 crore, and the average interest rate for GPF is 7.10%. The actual interest on GPF as per the audited accounts for the Year 2024-25 is Rs 182.21 crore.

6.125 After appraising the entire aspects in detail, the Commission has decided to allow the interest on GPF claimed by KSEBL as detailed in the Table 6.50 above for the purpose of Truing Up for the Year 2024-25.

Other charges claimed under Interest and finance charges

6.126 KSEBL has booked Rs 53.89 crore as other charges for the year 2024-25. Details are given below.

Table 6.51
Other charges claimed by KSEBL as part of interest & finance charges

No	Particulars	SBU G	SBU T	SBU D	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest cost on power purchase	0.00	0.00	50.61	50.61
2	Other Bank charges	0.38	0.75	1.13	2.26
	Total	**0.38**	**0.75**	**51.74**	**52.87**

6.127 Out of the total claim of Rs 52.87 crore under this head, Rs 50.61 crore pertains to interest cost on power purchase. KSEBL submitted that, this payment was based on the various orders of CERC. Details are given below.

Table 6.52
Details of interest on power purchase expenses during the year 2024-25

Sl No	Payee Name	Reason of Interest	Amount (Rs. Cr)
1	NTECL	CC Revision (2014-19). Invoice No.NTPC/Comm/Energy Bill/06-2014, 600019977, dated 05.06.2024	0.21
2	NTPL	CERC Turing Up Order dated 21.06.2024 for period 2014-19 vide Petition No.528/GT/2020. Debit Note No.90079002, dated 17.09.2024.	27.71
3	NTPL	Debit Note No.90086179, dated 30.10.2024	17.57
4	NTPL	Debit Note No.90086202 dated 30.10.2024.	0.77
5	NTPL	Credit Note No.90087426, dated 07.11.2024.	-0.02
6	NLC-NNTPS	Recovery of Capacity Charges of NNTPS based on CERC Tariff Order for 2019-24 dated 02.8.2024 in petition No.219/GT/2019. Debit Note No.901400703, dtd 23.09.2024.	1.37
7	NTPC-Kudgi	CERC Revision bill for Tariff Period 2019-24. Invoice No.NTPC /Commercial/Energy/06-2024, 603453537 dated 05.06.2024	2.17
8	Others	Adjustments	0.83
	Total		**50.61**

6.128 Other bank charges comprises bank charges, demand draft omission and other levies made by banks etc. The details are given below.

Table 6.53
Other bank charges claimed for the Year 2024-25

Particulars	Amount (Rs. Cr)
Stamp duty on bill discounting facility	0.06
Bank Charges	0.40
Guarantee Commission	1.77
Others	0.03
TOTAL	**2.26**

Analysis and Decision

6.129 Commission has examined the other interest claimed by KSEB Ltd. A major portion of the expense under this head is towards the interest on power purchase. This is due to the difference between the cost of power purchase claimed on provisional tariff and the final tariff approved by the CERC during the MYT period from 2019-20 to 2023-24. As per the CERC Regulations, the difference between the provisional tariff and final tariff attracts interest. Here, if the final tariff approved by CERC is higher than the provisional tariff claimed by CGS, KSEB Ltd has to pay the interest for the difference.

KSEB Ltd has submitted that, a total amount of Rs 50.61 Cr was incurred as interest on cost of power purchase. The Commission decided to approve the same as part other interest charges.

KSEB Ltd has claimed Rs.2.26 Cr towards other bank charges, as detailed in Table above.

Commission after appraising the entire matter in detail, has decided to approve the other charges claimed by KSEBL as detailed in Table 6.51 above.

Claim towards the refund of liquidated damages

6.130 KSEBL submitted that, it has refunded an amount of Rs.16.43 Cr levied as liquidated damages during 2024-25. Details are given below:

Table 6.54
Claim towards refund of liquidated damages

Item	SBU G	SBU T	SBU D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Claim towards the refund of Liquidated damages	0.00	0.13	16.30	16.43

KSEBL submitted that, they has refunded an amount of Rs.0.13 Cr levied as liquidated damage under SBU(T) and Rs.0.52 Cr under SBU (D) in relation to various works executed. Besides, the refund of liquidated damages to the tune of Rs.15.78 Cr to M/s.Power Grid Southern Interconnector Transmission System Ltd (PSITSL, a subsidiary of M/s.PGCIL), which is the SPV for the execution of

strengthening of Transmission System beyond Vemagiri as per the Transmission Agreement dated 31.05.2015. In compliance of the order dated 17.03.2023 in IA No.724 of 2022 of the Hon'ble APTEL on account of delay in achieving the COD, the amount corresponding to the BG Value of Rs.14.50 Cr has been received by KSEBL on 28.03.2023. Later Hon'ble CERC vide order dated 17.10.2024 pursuant to the Hon'ble APTEL's judgement in Appeal No.194 of 2022 filed by M/s.PSITSL has condoned the total delay of 289 days in commissioning of certain elements. Hence it was directed to all LTCC to return the amount paid by M/s.PSITSL in lieu of the Performance Bank Guarantee along with interest. M/s..PSITSL has requested to all LTCC including KSEBL to return the amount with the applicable interest. Accordingly, KSEBL has refunded an amount of Rs.15.78 Crs to M/s.PSITSL including interest. . Since the liquidated damage was considered as income in the accounts of KSEBL in the year 2022-23, KSEBL requested to account the liquidated damages refunded to M/s.PSITSL as expense of KSEBL. In view of the above, liquidated damages refunded by KSEBL as stated above may kindly be approved in the truing up for the year 2024-25.

Analysis and Decision

6.131 Commission has examined amount claimed under liquidated damages in the year 2024-25. Commission has also noted the refund Rs 15.78 crore to PSITSL including interest consequent to the Judgment of Ho'ble APTEL dated 12.08.2024, in condoning the delay of 289 days in completion of the project on account of Force Majeure events.

Commission after examining the entire aspects in detail, here by approve the amount claimed as liquidated damages as detailed under Table 6.54 above.

Revision of 'norms for O&M expenses' based on actual inflation for approving Truing Up of accouns as per Note to para-1 of Annexure-7 of Tariff Regulations, 2021.

6.132 Annexure-7 to the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021(herein after referred to as Tariff Regulations, 2021), prescribes the 'methodology adopted for specifying the Normative Operation & Maintenance (O&M) Costs for the five year control period. The relevant provisions in the Tariff Regulations, 2021 is extracted below.

"ANNEXURE – 7

Methodology adopted for specifying the Normative Operation & Maintenance(O&M) Costs for the 5 year Control Period (2022-27)

1. ***The O&M costs consist*** *of:*

- *Employee cost;*
- *Administrative & General (A&G) expenses; and*
- *Repair & Maintenance (R&M) costs.*

The annual inflation/ escalation rate under the Control Period (2018-22) was fixed at 4.84% based on the CPI (Industrial workers) & WPI indices in the weightage ratio

70:30, for the 4 year period (2013-14 to 2016-17). Considering the 5 year MYT periodin this Regulation and the subdued performance of the economy in the year 2020-21due to the 'Covid 19' pandemic; it is proposed to fix the annual escalation factor for the 5 year MYT Control Period (2022-23 to 2026-27) as follows:-

a) *The average of the increase in the CPI & WPI indices, for the 4 year period(2017-18 to 2020 -21), as given in Table- 1 below:*

Table- 1
Computation of Escalation Factors for this MYT Regulation

Sl. No	***Escalation factors/ year***	***2017-18***	***2018-19***	***2019-20***	***2020-21***
1	*CPI (Industrial Workers) 2001=100*	*284.42*	*299.9*	*322.5*	*338.69*
2	*Annual CPI increase %*	*3.08*	*5.44*	*7.54*	*5.02*
3	*WPI (2011-12) series*	*114.9*	*119.8*	*121.8*	*123.4*
4	*Annual WPI increase %*	*2.96*	*4.26*	*1.67*	*1.31*
5	*CPI:WPI (70:30) weightage (%)*	*3.04*	*5.09*	*5.78*	*3.91*
6	*Average 4 Year annual increase @* ***70:30 weightage (%)***	***4.45%***			

Note:
The Commission notes that there has been severe fluctuations as far as the inflation indices are concerned. Further, due to the outbreak of COVID 19, and the overall depressing economic situation faced by all major industries in the country, the offtake of electricity during this period has considerably reduced and there is a glut as far as the electricity market is concerned.

However as of now, the economy seems to be on a path of revival and the increasein oil prices have also added to the overall inflation in the economy. Hence, the Commission feels that any data of past indices may not completely reflect the true economic situation in the country and its inflationary trends and therefore is of the opinion that, for the purpose of ARR&ERC for the Control Period, it would be advisable to rely on historical inflation data for the previous four years. But, the actual escalation rates based on the actual inflation existing for each year of the Control Period shall be considered at the time of the truing up of the concerned financial year and would be a more reliable basis. Hence, the actual inflation indices will be allowed at the stage of truing up for the respective years."

2. *Common steps adopted for Generation, Transmission & DistributionBusinesses of KSEB Ltd,-*

(i) *The O&M costs approved for the year 2018-19 based on the Order for the MYT period dated 08-07-2019 is taken as the base year.*

(ii) *The annual increase on account of pay revision is to be added to this figure since pay revision has been implemented from 2018-19, effective for the month of July for officers and August for workers. As per the accounts of KSEB Ltd, provision of Rs.176 Crore has been included for the same.*

(iii) *Additional expenses on account of pay revision is arrived at for a year from the provision made for the year 2018-19 considering the same as for 8.5 months. Thus, the expected additional amount for pay revision for a full year is estimatedas Rs.248.47 crore.*

(iv) *The base year O&M expenses for 2018-19 is the sum of the approved expensesfor 2018-19 together with the additional expenses for pay revision as shown below*

(v) *The Table 2 for computation of expenses for the Financial Year 2018-19*

indicates that a lumpsum figure for each of the SBUs have been provided whichis aggregate of employee expenses, A&G expenses & R&M expenses. The Commission is of the view that for an efficient and optimum utilization of resources, separate SBU wise provision for each of the O&M components haveto be provided. KSEB Ltd can file the details of each O&M cost, SBU wise, whilefiling the petition for approval of ARR & ERC for the Control Period.

Table- 2
Expenses for the Financial Year 2018-19 (Provisional Base Data) for computation of Normative O&M expenses for the Control Period

Particulars	SBU-G	SBU-T	SBU-D	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Employee expenses	**124.15**	**363.23**	1,979.83	**2713.46**
A&G Expenses				
R&M Expenses			246.25	
Prov. For pay revision	11.36	33.15	203.96	248.47
Total	**135.51**	**396.38**	**2,430.04**	**2,961.93**

(a) SBU-Generation of KSEB Ltd,-

The O&M expenses for SBU-G for the year 2018-19 (including pay revision) is provisionally escalated at the escalation rate of 4.84% per annum (based on the average escalation rate of the Control Period 2018-19 to 2021-22), for arriving the notional O&M expenses of the Generation business for the years 2019-20, 2020-21 &2021 -22 of the current Control Period. The above notional figure for 2021- 22 is escalated at the escalation rate arrived for the Control Period (4.454%) for arriving atthe O&M expenses for SBU-G for the Control Period 2022-23 to 2026-27 as shown below:

Table - 3
O&M cost for the Generation business of KSEB Ltd. for the Control Period(2022-23 to 2026-27) in Rs. Crores

	Previous Control period (Indicative only)				*Control period (Provisional)*				
Year	*2018-19*	*2019-20*	*2020-21*	*2021-22*	*2022-23*	*2023-24*	*2024-25*	*2025-26*	*2026-27*
SBU-G	*135.51*	*142.07*	*148.95*	*156.16*	*163.12*	*170.38*	*177.97*	*185.9*	*194.18*

"2(b) SBU-T Transmission Business of KSEB Limited,-

(i) O&M expenses for the Transmission business are allowed based on number of Bays, MVA capacity of Power Transformers and the Circuit kilometers of transmission lines including and above 66kV in the ratio 40:30:30 respectively.

(ii) As mentioned in Table 2, O&M expenses for 2018-19 including pay revision expenses is Rs.396.38 Crore. After allocating the amount on 40:30:30 basis to number of Bays, MVA capacity of Power Transformers and the Circuit kilometers is as shown below:

Table-4

	Ratio	*Notional O&M Cost for 2018-19 (Rs. Crore)*	*No. of Bays /No of power transformers/ Circuit km*	*Rs. lakh/bay, Rs. lakh/ MVA & Rs. lakh/circuit km*
Bay	*40%*	*158.56*	*2564*	*6.18*
MVA Capacity of Power Transformers	*30%*	*118.91*	*17378.8*	*0.684*
Lines	*30%*	*118.91*	*9529.59*	*1.248*
Total	*100%*	*396.38*		

(iii) The above derived normative per unit O&M cost for 2018-19 as per Table-4 above for the financial year 2018-19, is escalated at 4.84% per annum for determining the notional per unit O&M cost for the present Control Period 2019-20, 2020-21 & 2021-22.

(iv) The above notional per unit O&M cost for 2021-22 is escalated at the rate of 4.454% for this MYT Control Period is as shown below:

Table-5

	Current control period (indicative only)				Control period (Provisional)				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Rs.Lakh per bay	6.18	6.479	6.793	7.121	7.439	7.77	8.116	8.478	8.855
Rs.Lakh per MVA	0.684	0.717	0.752	0.788	0.823	0.86	0.898	0.938	0.98
Rs.Lakh per Ckt-km	1.248	1.308	1.372	1.438	1.502	1.569	1.639	1.712	1.788

(v) The O&M expenses for any year of the new Control Period shall be allowed by multiplying the normative O&M costs for that year with the actual number of bays, MVA capacity of Power Transformers and transmission line length in circuit kilometre at the beginning of the year. i.e., the O&M expenses for the financial year 2022-23 shall be allowed by multiplying the normative O&M costs for the financial year 2022-23 with the actual number of bays, MVA capacity of Power Transformers and transmission line length in circuit kilometre at the beginning of the financial year 2022-23 and at 50 percent of the transformers and the number of bays in the sub station of the Transmission Licensee added during the year and put to its intended use."

O&M norms for the distribution business/licensees

(i) The *parameters for allowing 'the employee costs and A&G expenses' for the distribution business under this MYT Regulation shall be:*

a) the number of consumers	*20%*
b) the number of distribution transformers	*25%*
c) the length of HT lines in kilometres	*20%*
d) the length of LT lines in kilometres	*20%*
e) The quantum of energy sales	*15%*

(ii) As mentioned in Table 2, the O&M expenses for 2018-19 including pay revision expenses is provisionally estimated as Rs.2183.79 Cr. It is also to be noted that the Commission's Orders on truing up of accounts for 2018-19 is being issued. Once the same is issued, the amount shall stand revised as per the trued up figures

(iii) After allocating the amount to the five parameters, the normative O&M costs for the Control Period is as shown below:

Table – 6

Particulars		Ratio	2018-19 Rs. Cr	Normative Value	Unit
No. of consumers (Nos)	12276321	20%	436.76	3.558	Rs.lakh/1000 consumers
No. of Distribution Transformers (Nos)	77724	25%	545.95	0.702	Rs.lakh/transformer
Length of HT lines (km)	62835	20%	436.76	0.695	Rs.lakh/km line
Length of LT lines (km)	286784	20%	436.76	0.152	Rs.lakh/km line
Energy Sales (MU)	20880.7	15%	327.57	0.157	Rs./unit

Employee cost & A&Gexpenses		*100%*	*2,183.79*		

(iv) The above normative Average Employee cost and A&G expense for 2018-19 is allocated among the five parameters viz. No. of consumers, No. of distribution transformers, length of HT lines, length of LT lines and Energy sold in the ratio; 20:25: 20: 20:15 to arrive at the provisional per unit cost for each parameter for the year 2018-19. This norm is escalated @ 4.84% to fix the notional norms for years2019-20 to 2021-22.

(v) The per *unit rate so arrived for 2021- 22 is escalated at the escalation rate of 4.454% for the Control Period to arrive at the provisional norm for the MYT ControlPeriod as indicated in the Table-7 below:*

Table- 7

Particulars	*Current Control Period indicative only*				*Control period (Provisional)*				
	2018-19	*2019-20*	*2020-21*	*2021-22*	*2022-23*	*2023-24*	*2024-25*	*2025-26*	*2026-27*
Rs. Lakh /1000									
consumers	*3.558*	*3.73*	*3.91*	*4.1*	*4.282*	*4.473*	*4.672*	*4.88*	*5.098*
Rs. lakh/ transformer	*0.702*	*0.736*	*0.772*	*0.809*	*0.845*	*0.883*	*0.922*	*0.964*	*1.006*
Rs. lakh/km HT line	*0.695*	*0.729*	*0.764*	*0.801*	*0.837*	*0.874*	*0.913*	*0.954*	*0.996*
Rs.lakh/LT line	*0.152*	*0.16*	*0.167*	*0.175*	*0.183*	*0.191*	*0.2*	*0.209*	*0.218*
Rs./unit	*0.157*	*0.164*	*0.172*	*0.181*	*0.189*	*0.197*	*0.206*	*0.215*	*0.225*

(vi) The O&M expenses (excluding the R&M expenses) for any year of the new ControlPeriod shall be allowed by multiplying the per unit cost of the parameters for that year (provided in Table- 6 above), with the actual number of consumers, number of distribution transformers, length of HT & LT lines in kilometre and the energy sales for the year (at the beginning of the year). i.e., the O&M expenses for the financial year 2022-23 shall be allowed, by multiplying the per unit cost of the parameters for the financial year 2022-23 with the actual; number of consumers, number of distribution transformers, length of HT & LT lines in kilometre at the beginning of the year (2022-23) and the energy sold for the previous year 2021-22.

(vii) The R&M expenses for the distribution business is benchmarked @ 4.0% of the value of the opening Distribution Gross Fixed Assets (excluding the value of land and land under lease) as on 1st April of the respective financial year.

(viii) The Normative O&M cost for each year for SBU-D is the is the sum of the figures under clauses (v) & (vi) above.

Note:

Details provided in para 2 and figures provided in Tables 2 to 7 above are provisional. The issue of employee strength of KSEB Ltd as mentioned above is sub judice. Hence, the employee strength adopted in the Order on the Truing Up of accounts for the year 2017-18 is retained. It is noted that KSEB Ltd has not yet filed the petition for the truing up of accounts for the financial years 2019-20 and 2020-21 based on the audited accounts of the respective financialyears.

Many stakeholders and Associations have raised their serious concern with regard to the number of employees actually available in KSEB Ltd vis-à-vis those numbers considered by the Commission while truing up of accounts of the previous years. During February 2021, KSEB Ltd has implemented the Pay Revision with effect from July/August 2018 for its Officers and staff. As per Hon'ble APTEL decision in OP 1/2013 and 19/2013 in the Order dated 10.11.2014, the effect of pay revision have to be allowed as part of employee cost. The final norms of KSEB Ltd can be arrived at only after thetruing up of the figures from the financial year 2018-19 is over and after

the subjudice matter is resolved. The norms will be reworked accordingly. KSEB Ltd may file the petition for the approval of ARR & ERC for the Control period basedon the provisional figures as mentioned in Tables 2 to 7 above.

6.133 As detailed under first proviso to Note to the paragraph-1 of the Annexure-7 of the Tariff Regulations, 2021, the escalation based on actual inflation indices shall be adopted for determining the O&M expenses in the process of Truing Up.

6.134 The actual inflation rate of the year 2024-25 over the base year 2021-22, the O&M expense is arrived as detailed below.

Table 6.55
Actual inflation for the years 2022-23, 2023-24 and 2024-25

Sl No	Particulars	2021-22	2022-23	2023-24	2024-25
1	Consumer Price Index (2016 price level)	356.06	377.62	397.25	410.64
	Increase in CPI in 2022-23 over 2021-22		6.06%	5.20%	3.37%
2	Whole Sale Price Index (base year 2011-12)	139.40	152.50	151.40	154.9
	Increase in WPI in 2022-23 over 2021-22		9.40%	-0.72%	2.31%
3	Weighted average increase (70% CPI & 30%WPI)		7.06%	3.41%	3.05%

Revised O&M cost of SBU-G for existing Stations

6.135 Based on the actual inflation as above, the normative O&M cost of SBU-G of existing stations approved for the Year 2024-25 is given below.

Table 6.56
O&M expenses of existing generating stations approved for the year 2024-25

Sl No	Particulars	Amount (Rs.Cr)
1	Normative O&M cost of existing station for 2021-22 as per Tariff Regulations, 2021	156.16
2	Actual inflation for the year 2022-23	7.06%
3	O&M cost of existing station allowable for the Year 2022-23	167.18
4	Actual inflation for the year 2023-24	3.41%
5	O&M cost allowable for the Year 2023-24 for existing stations	172.88
6	Actual inflation for the Year 2024-25	3.05%
7	O&M cost of existing station approved for the Year 2024-25	178.14

O&M expenses admissible for the 'existing generating stations of KSEB Ltd' for the year 2024-25 is Rs.178.14 Cr.

Revised norms of O&M expenses for SBU-T of KSEBL for the Year 2024-25

6.136 Based on the actual inflation as above, the norms for O&M expenses of SBU-T as given in the Table-5 of the Annexure-7 of the Tariff Regulations, 2021 is modified as follows for the purpose of Truing Up.

Table 6.57
O&M Norms approved for SBU-T for the year 2024-25

Item	Norms approved for 2021-22	Escalation factor for 2022-23	Norms allowable for the Year 2022-23	Escalation for 2023-24	Norms allowable for 2023-24	Escalation for 2024-25	Norms allowable for 2024-25
Rs. lakh per Bay	7.121	7.06%	7.62	3.41%	7.884	3.05%	8.124
Rs. lakh per MVA	0.788		0.84		0.872		0.899
Rs. lakh per circuit km	1.438		1.54		1.592		1.641

Revised norms for the approval of 'employee cost and A&G expenses' as part of O&M expenses for SBU-D of KSEBL for the Year 2024-25

6.137 Based on the actual inflation, revised norms for approving 'employee cost and A&G expenses' for the Year 2024-25 is given below.

Table 6.58
Norms for employee cost and A&G expenses based on actual inflation from 2021-22 to 2024-25

No	Parameters	Norms for FY 2021-22	Escalation Rate for 2022-23	Norms for FY 2022-23	Escalation Rate for FY 2023-24	Norms for FY 2023-24	Escalation Rate for FY 2024-25	Norms for FY 2024-25
1	No. of consumers (Rs. Lakh/1000)	4.100	7.06%	4.389	3.41%	4.539	3.05%	4.678
2	Dist Transformers (Rs. Lakh/DTr)	0.809		0.866		0.896		0.923
3	Length of HT line (Rs. Lakh/km)	0.801		0.858		0.887		0.914
4	Length of LT line (Rs. Lakh/km)	0.175		0.187		0.194		0.200
5	Energy sales (Rs/unit)	0.181		0.194		0.200		0.207

CHAPTER – 7
CONSOLIDATED TRUING UP OF KSEBL FOR THE YEAR 2024-25

Introduction

7.1 The consolidated details of the Truing up of accounts of KSEB Ltd for the year 2024-25 is presented in this chapter. A comparison of the ARR&ERC approved in the MYT dated 25.06.2022, consolidated audited accounts and the truing up petition is given below.

Table 7.1
Summary of the Audited Accounts and Truing up petition the year 2024-25

Particulars	MYT Order dated 25.06.2022	Accounts	Truing Up petition	Deviation of claim over MYT Order
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Generation Of Power		5.17	5.17	5.17
Purchase of power	10716.26	12749.65	12930.60	2214.34
Interest & Finance Charges	2192.66	1846.10	2584.39	391.73
Depreciation	834.56	2098.84	861.95	27.39
O&M cost	4750.79	5765.22	4880.54	129.75
Other Expenses	0.00	109.37	40.49	40.49
Additional contribution to Master Trust	400.00	0.00	400.00	0.00
Gains on T&D loss reduction	0.00	0.00	131.85	131.85
Edamon Kochi Compensation	19.02	0.00	7.68	-11.34
Thrissur Pugalur Compensation	0.00	0.00	1.36	1.36
Incentive for achievement of Tr target availability	0.00	0.00	11.52	11.52
Amortization of intangible assets- software	0.00	13.22	13.22	13.22
Amortization of past gap	850.00	0.00	0.00	-850.00
Return on Equity	489.87	0.00	489.87	0.00
Exceptional item	0.00	-475.91	18.38	18.38
Repayment of bond	407.20	0.00	407.20	0.00
Registration charge of Solar refunded	0.00	0.00	24.18	24.18
Refund of Liquidated damages	0.00	0.00	16.43	16.43
Net Expenditure (A)	**20660.36**	**22111.66**	**22824.83**	2164.48
Non-Tariff Income	910.28	963.62	965.10	54.82
Revenue from tariff & external sale	16729.78	21719.26	**20805.94**	4076.16
Total Income (B)	**17640.06**	**22682.88**	**21771.04**	**4130.98**
Revenue surplus /(Gap) (B-A)	**-3020.30**	**571.22**	**-1053.79**	1966.51

7.2 Detailed appraisal of each expense components is discussed in the following paragraphs.

Generation of Power

7.3 KSEB Ltd has claimed Rs. 5.17 Cr towards fuel cost of its generating stations. After analyzing the matter in detail, the Commission in Chapter 2 of this Order has allowed the fuel cost of Rs. 5.17 Cr as per the accounts for the purpose of Truing Up of accounts also.

Cost of Generation of Power or Transfer cost of SBU-G

7.4 The Cost of generation of power is the transfer cost booked by SBU-G to SBU-D. After examining various expenses, the Commission has determined the transfer cost of Generation or the net cost of generation of power of SBU-G at Rs. 461.82 Cr as against Rs.626.48 Cr claimed by KSEB Ltd. Details are given in Chapter 2 of this Order.

Cost of Intra-state Transmission or Transfer cost of SBU-T

7.5 The cost of intra state transmission is the transfer cost of SBU-T to the SBU-D. After examining various expenses, the Commission has determined the transfer cost of Transmission or the net cost of intra State transmission of power of SBU-T at Rs. 1571.49 Cr as against Rs.1654.89 Cr claimed by KSEB Ltd for the year 2024-25. Details in this regard are shown in Chapter 3 of this Order.

Cost of purchase of power

7.6 The cost of power purchase including inter-state transmission charges as per the petition is Rs.12930.60 Cr. Out of this, the inter-state transmission charges paid to PGCIL is Rs.1259.48 Cr. As detailed in Chapter 5, the Commission after examining the details has approved the cost of power purchase at Rs.12917.93 Cr for the year 2024-25. Details are given in Chapter-5 of this Order.

Energy demand within the State

7.7 The actual energy sale during the year 2024-25 is 28148.37 MU as against 26896.59 MU approved by the Commission. The energy sale during the year is 4.65% higher than the energy sale approved vide the MYT Order dated 25.06.2022.

The actual energy sale for the year 2024-25 is 2% over the energy sale during the year 2023-24.

O&M Expenses

7.8 As per the petition, the O&M expenses claimed by KSEB Ltd is Rs.4880.54 Cr, which is inclusive of employee expenses, repair and maintenance expenses and administration and general expenses. KSEB Ltd has claimed the O&M expenses as per the norms specified in the Tariff Regulations.

7.9 The O&M expenses claimed and approved for KSEB Ltd is given in the Table below.

Table 7.3
Summary of the O&M expenses claimed and approved for the year 2024-25

Particulars	ARR&ERC Order dated 25.06.2022	KSEB Ltd		KSERC approval as per norms
		As per accounts	Claimed for Truing Up	
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
(i) Employee expense	4750.79	4377.3	4880.54	4859.15
(ii) A&G expenses		1076.41		
(iii)) R&M expenses		311.51		
Total	4750.79	5765.22	4880.54	4859.15

Interest and financing charges

7.10 Interest charges include, interest on long term and short-term loans, interest on GPF, interest on security deposits, interest on working capital, interest on Master Trust funds, and other interest charges. The summary of the interest and finance charges claimed and approved is given in the Table below.

Table 7.4
Interest and Finance charges claimed and approved for the year 2024-25

Sl No	Particulars	ARR&ERC dated 25.06.2022	KSEB petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest on outstanding loans	1105.71	1126.19	991.52
2	Interest on security deposit	160.76	267.31	267.31
3	Master Trust Bond Interest	529.39	529.35	529.35
4	Working capital/ OD interest	34.4	44.44	25.18
5	PF interest	242.06	182.21	182.21
6	Other interests	0	52.87	52.87
7	Carrying cost on past approved revenue gap	120.33	382.01	308.55
8	Total	2192.65	2584.38	2356.99

Depreciation

7.11 Depreciation as per the audited accounts of KSEB Ltd for the year 2024-25 is Rs. 2098.84 Cr. The depreciation is worked out for the entire GFA without considering the consumer contribution and grants. The depreciation as per accounts has been worked out in line with IND AS and claw back depreciation was determined and credited to Claw back of grant under Note 30 (Changes in fair valuation and adjustments).

But, as per MYT Regulation for the control period 2022-23 to 2026-27, depreciation is allowable as per the provisions contained in the Tariff Regulations, 2021, wherein the depreciation rates as well as methodology to be followed are specified therein.

As per the provisions of the Regulations, no depreciation is allowed on the assets created out of contribution and grants and the write off, if any, of the consumer contribution and grants at the time of the transfer scheme is also

not to be considered. Depreciation also not allowable for revalued assets. Based on the provisions of the Regulations, depreciation approved for each SBU for the year 2024-25 is as shown below:

Table 7.5
Depreciation claimed and approved in the year 2024-25

SBUs	ARR Order dt. 25.06.2022	As per audited accounts	As per the True Up petition	Approved in the True up Order
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
SBU-G	175.00	772.04	182.74	161.26
SBU-T	331.52	448.72	336.46	322.93
SBU-D	328.74	878.08	342.75	342.75
Total	835.26	2098.84	861.95	826.94

Interest and repayment of principal to the bonds issued to the Master Trust

7.12 KSEBL in the Truing Up petition has claimed interest and repayment of the principal to the bonds issued to the Master Trust. The SBU wise details of the interest and repayments of the principal to the Master Trust bonds claimed in the Truing Up petition and the same approved by the Commission is given below.

Table 7.7
Interest and repayment of principal to the bonds issued to the Master Trust for the Year 2024-25

SBUs	Interest on Master Trust bond		Repayment of principal to the Master Trust bond	
	Truing Up petition	KSERC Approval	Truing Up petition	KSERC Approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
SBU-G	25.8	25.8	22.0	22.0
SBU-T	47.4	47.4	45.8	45.8
SBU-D	456.1	456.1	339.4	339.4
Total	529.4	529.4	407.2	407.2

Return on equity

7.13 KSEB Ltd in their petition claimed return on equity of Rs.489.87 Cr at the rate of 14% for the SBUs. As per the petition, the total equity mentioned for KSEB Ltd is Rs.3499 Cr. The SBU wise apportionment of equity is as shown below:

Table 7.8
Return on equity claimed and approved for 2024-25

	As per truing up petition		As approved
	Amount of Equity	Return on Equity	Return on Equity
	Rs. Cr	Rs. Cr	Rs. Cr
SBU-G	831	116.38	116.38
SBU-T	857	119.99	119.99
SBU-D	1,811	253.50	253.50
Total	3,499	489.87	489.87

Non-Tariff income

7.14 As per the details furnished in the petition, consolidated non-tariff income for the year is Rs.965.10 Cr. After considering the details, the Commission has approved the SBU wise non-Tariff income as Rs 1252.11 Cr. Details are given below:

Table 7.9
Non Tariff income approved for 2024-25

Particulars	SBU-G	SBU-T	SBU-D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Claimed for Truing Up	39.61	80.33	845.16	965.10
Approved for Truing Up	211.87	80.33	959.91	1252.11

Revenue from Sale of Power

7.15 The total revenue from sale within the State is Rs. 20805.94 Cr for the year 2024-25. This includes the revenue from external sale of Rs. 296.71 Cr for the sale of 395.7 MU during the year 2024-25. The power factor incentive of Rs.55.97 Cr paid to the consumers is also deducted from the revenue from sale of Power.

Summary of Income, Expenses and Revenue gap after truing up of each SBUs

Summary of ARR of SBU-G

7.16 The summary of the ARR approved for SBU-G is detailed in Chapter-2 and its summary is given below.

Table 7.10
ARR of the SBU-G Trued up for the year 2024-25 (Rs. Cr)

No	Particulars	MYT Order dated 25.06.2022	Actuals	Truing Up petition	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Cost of Generation of Power	0.00	5.17	5.17	5.17
2	O&M cost	221.63	493.97	208.22	202.52
3	Interest & Finance Charges	189.37	115.53	196.15	144.50
4	Depreciation	175.00	772.04	182.74	161.26
5	Repayment of master Trust Bond	21.99	0.00	21.99	21.99
6	Additional contribution to Master Trust	21.60	0.00	21.60	21.60
7	Amortisation of intangible assets	0.00	1.32	1.32	0.00
8	RoE	116.38	116.38	116.38	116.38
9	Exceptional Items	0.00	0.09	0.09	0.09
10	Others	0.00	14.10	0.00	0.00
11	ARR	745.97	1518.60	753.66	673.51
12	Less Non-Tariff Income	11.35	9.24	39.61	211.87
13	**Net ARR** (Transferred to SBU-D)	734.62	1509.36	714.05	461.64

Summary of ARR of SBU-T

7.17 The details of the Truing up of SBU-T of KSEB Ltd is detailed in Chapter-3 of this order. The summary of the Trued up ARR of SBU-T of KSEB Ltd for the year 2022-23 is given in the Table below.

Table 7.11
ARR of the SBU-T Trued up for the year 2024-25

Sl No	Particulars	MYT Order dated 25.06.2022	Audited accounts	Truing Up claim	KSERC Approval
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	Interest & Finance Charge	**503.85**	**394.77**	**506.91**	450.20
2	Return on Equity (14%)	119.99	119.99	119.99	119.99
3	Depreciation	331.52	448.72	336.46	322.93
4	O&M expenses	698.57	591.93	659.03	658.84
5	Repayment of existing master trust	45.79		45.79	45.79
6	Additional contribution to Master Trust	44.98		44.98	44.98
7	Edamon - Kochi line compensation	19.02		7.68	7.68
8	Pugalur – Thrissur line compensation	0.00	0.00	1.36	1.36
9	Amortising of intangible assets	0.00	1.32	1.32	0.00
9	Refund of liquidated damages	0.00	0.00	0.13	0.13
10	Exceptional items	0.00	0.05	0.05	0.05
10	Incentive on Transmission Availability*	0.00		11.52	0.00
12	ARR	1763.72	1556.78	1735.22	1651.95
13	Less: Non-tariff Income	57.6	68.92	80.33	80.33
14	Net ARR (Cost Transferred to SBU-D)	1706.12	1487.86	1654.89	1571.62

**Deferred*

Summary of ARR of SBU-D

7.18 The details of the Truing up of SBU-D of KSEB Ltd are detailed in Chapter-5 of this Order. The summary of the Trued up ARR of SBU-D of KSEB Ltd for the year 2024-25 is given in the Table below.

Table 7.12
ARR of the SBU-D Trued up for the year 2024-25

Particulars	MYT Order dated 25.06.2022	Truing Up claim	KSERC Approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Cost of Generation (SBU-G)	734.63	714.05	461.64
Cost of Power Purchase incl RLDC charges	10716.26	12930.60	12917.93
Cost of Intra-State Transmission (SBU-T)	1706.12	1654.89	1571.62
Interest & Finance Charges	1499.43	1881.33	1762.11
Additional contribution to Master Trust	333.42	333.42	333.42
Depreciation	328.04	342.75	342.75
Normative O&M Expenses	3830.59	4013.29	3997.78
Return on equity (14%)	253.50	253.50	253.50
Other Expenses		40.49	40.49
Exceptional Items	0.00	18.24	18.24
Sharing of gains on account of higher T&D loss reduction	0.00	131.85	0.00

Recovery of past gap	850.00		0.00
Amortisation of intangible assets	0.00	10.58	0.00
Repayment of Bonds	339.42	339.42	339.42
Registration charges for solar refunded	0.00	24.18	24.18
Refund of liquidated damages	0.00	16.30	16.30
Total ARR	20591.41	22704.89	22079.38
Less Non Tariff Income	841.33	845.16	959.91
Net ARR	19750.08	21859.73	21119.47
Revenue from Sale of Power (Net)	16729.78	20805.94	20805.94
Revenue gap	3020.30	1053.79	313.53

Consolidated ARR, ERC and Revenue Gap approved in the process of Truing Up for the Year 2024-25

7.19 The consolidated summary of the ARR, ERC and Revenue gap of KSEB Ltd for the year 2024-25 is given below.

Table 7.13
Consolidate summary of the ARR&ERC Trued up for the year 2024-25

Particulars	MYT Order dated 25.06.2022	Accounts	Truing Up petition	KSERC Approval
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Generation Of Power		5.17	5.17	5.17
Purchase of power	10716.26	12749.65	12930.60	12917.93
Interest & Finance Charges	2192.66	1846.10	2584.39	2356.81
Depreciation	834.56	2098.84	861.95	826.94
O&M cost	4750.79	5765.22	4880.54	4859.14
Other Expenses	0.00	109.37	40.49	40.49
Additional contribution to Master Trust	400.00	0.00	400.00	400.00
Gains on T&D loss reduction *	0.00	0.00	131.85	0.00
Edamon Kochi Compensation	19.02	0.00	7.68	7.68
Thrissur Pugalur Compensation	0.00	0.00	1.36	1.36
Incentive for achievement of Tr target availability*	0.00	0.00	11.52	0.00
Amortization of intangible assets- software	0.00	13.22	13.22	0.00
Amortization of past gap	850.00	0.00	0.00	0.00
Return on Equity	489.87	0.00	489.87	489.87
Exceptional item	0.00	-475.91	18.38	18.38
Repayment of bond	407.20	0.00	407.20	407.20
Registration charge of Solar refunded	0.00	0.00	24.18	24.18
Refund of Liquidated damages	0.00	0.00	16.43	16.43
Net Expenditure (A)	**20660.36**	**22111.66**	**22824.83**	22371.58
Non-Tariff Income	910.28	963.62	965.10	1252.11
Revenue from tariff & external sale	16729.78	21719.26	**20805.94**	20805.94
Total Income (B)	**17640.06**	**22682.88**	**21771.04**	22058.05
Revenue surplus /(Gap) (B-A)	**-3020.30**	**571.22**	**-1053.79**	-313.53

**Deferred*

7.20 As above, *as against the revenue gap of Rs.1053.79 Cr claimed by KSEB Ltd in the Truing up petition for the year 2024-25, the Commission hereby provisionally approves the revenue gap of Rs. 313.53 Cr for the regulatory accounts in the process of Truing up for the year 2024-25.*

7.21 As per the Order dated 30.06.2025 in petition OP No. 49/2024 in the matter of Truing Up of accounts for the Year 2023-24, the net unbridged revenue gap as on 01.04.2024 was Rs 6645.301 Crore. With the approved revenue gap of Rs 313.53 Crore for the Year 2024-25 as above, the accumulated revenue gap as on 01.04.2025 is Rs 6958.831 Cr.

Orders of the Commission

7.22 The Commission after having examined in detail, the petition filed by KSEB Ltd, the objections from stakeholders and other materials placed before it, hereby approve the following for the purpose of Truing up of accounts for the year 2024-25.

(1) Net ARR of SBU-G for the year 2024-25 at Rs.461.64 Cr as against Rs.714.05 Cr claimed by KSEB Ltd.

(2) Net ARR of SBU-T for the year 2024-25 at Rs.1571.62 Cr as against Rs.1654.89 Cr claimed by KSEB Ltd.

(3) Net ARR of SBU-D for the year 2024-25 is 21119.47 at Rs. Cr as against Rs.21859.73 Cr claimed by KSEB Ltd.

(4) Provisional Revenue gap of KSEB Ltd for the year 2024-25 at Rs.313.53 Cr as against the revenue gap of Rs.1053.79 Cr claimed by KSEB Ltd for the Year 2024-25.

The Commission hereby clarify that, the provisional revenue gap of Rs.313.53 Cr approved for the year 2024-25 as per Regulatory Accounts is only for Regulatory purpose including tariff determination.

7.23 Directives

(1) Adverse audit observation of the statutory auditors in the audited accounts of KSEBL for the Year 2024-25

(i) Commission has examined the adverse opinion of the Statutory Auditors in the financial year 2024-25, especially for not maintaining asset registers, not providing records related to landed properties, lack of accounting principles and policies formulated by KSEBL for classifying the cost incurred for various works into capital and revenue expenditures etc. Statutory auditors also observed that, the software used by the Company does not provide the information required to ascertain the value of inventory etc.

(ii) Commission has noted with concern that, most of the issues raised by the Statutory auditors, which results in adverse opinion

including the issue of not maintaining asset registers etc are raised by them in all previous annual report of KSEBL since the year 2015-16 onwards. However, over the years KSEBL had not given proper care and attentions to the audit observations of the statutory auditors given in the previous audited accounts, and to rectify them in a time bound manner. This has resulted in the adverse audit observation in the year 2024-25.

(iii) Commission has also noted that, in the 14th Annual Integrated Rating and Ranking of DISCOMs by Ministry of Power, Government of India notified in January 2026, attracted a dis-incentive of 15 marks due to the adverse audit observation of the statutory auditors. This may also results in lack of credibility of the audited accounts of the licensee, which is the incumbent distribution licensee of the State. Moreover, KSEBL is a State Government owned electricity utility with a total turnover of more than Rs 22000 crore annually. This adverse audit opinion may results in inability to get financial assistance from financial institutions at competitive interest rates.

(iv) ***Considering the seriousness of the matter, KSEBL management shall give due seriousness of the adverse opinion of the auditors and shall take immediate steps to rectify the issues raised by statutory auditors, which resulted in the adverse audit observation. Hence, Commission hereby direct that, KSEBL management, especially the Director (Finance) of KSEBL shall give personnel attention to resolve this issue within a time bound manner so as to avoid such observation from next financial year 2025-26 onwards. The progress shall be reported within three months from date of this Order***.

(2) Huge difference in the total expenses of KSEBL for the Year 2023-24 as per the 13th Annual Report for the Year 2023-24 and re-stated figure for the Year 2023-24 as per the 14th Annual Report for the Year 2024-25.

(i) 13th Annual Report of KSEBL for the year 2023-24 (audited accounts of KSEBL for the Year 2023-24) was the basis of the approval of the Truing Up of accounts for the financial year 2023-24 vide the Order dated 30.06.2025.

As per the 13th Annual Report, the total expenses of KSEBL for the year was Rs 22336.49 Crore and total loss was Rs 534.01 crore. Further, State Government vide the GO dated 01.12.2024 has taken over about 90% of the total loss amounts to Rs 494.289 crore to fulfil the entry level conditions for availing 0.50% of the Gross State Domestic Product (GSDP) as additional borrowing for the financial year 2024-25.

(ii) However, as per the 14th Annual Report of KSEBL for the Year 2024-25, the total expenses of KSEBL for the Year 2023-24 is restated as Rs 23952.87 Crore instead of Rs 22336.49 crore, with an increase of Rs 1616.38 Cr, and the total loss for the year 2023-24 is restated as Rs 2150.39 Crore instead of Rs 534.01 Crore. KSEBL has not submitted proper justification for these variations.

(iii) If KSEBL could correctly ascertain and prepared the audited accounts for the Year 2023-24, State Government should have taken over 90% of the loss of Rs 2150.39 Crore of the Year 2023-24, as part of fulfilling the entry level conditions for availing 0.50% of the Gross State Domestic Product (GSDP) as additional borrowing for the financial year 2024-25, which comes to about Rs 1935.35 Crore instead of Rs 494.289 Crore taken over by Government vide the GO dated 01.12.2024.

(iv) This type huge difference may affect the financials of KSEBL. It is noticed that, KSEBL is not giving serious attention to such issues. KSEBL Management should ascertain the reasons for such variations, and shall take immediate steps to avoid such huge variations in future.

(v) **Considering these aspects in detail, Commission hereby direct that, KSEBL shall give due care and attentions on the preparation of the audited accounts as per the accounting standards in force, and avoid such abnormalities in future. Director (Finance) of KSEBL shall give due care and attention on the preparation of audited accounts to avoid such variations in future.**

(3) Heavy dependence on short term market including power exchanges for meeting the peak demand of the State.

(i) Commission has noticed that, KSEBL has been heavily depending on high cost power purchase from short term market including power exchanges for meeting the peak demand and night off-peak demand of the State.

(ii) During the Year 2024-25, KSEBL has purchased about 4911MU from short-term market and power exchanges, (which constitutes about 19% of the total purchase of KSEBL), with the total cost of Rs 3116.00 crore (which accounts for 26% of the total cost of power purchase).

(iii) Further, out of the total power purchase, about 1104MU (4.32% of the total power purchase) was purchase from Term Ahead Market (TAM) at the total cost of Rs 1010.27 Crore (9% of the total power purchase cost) at the average rate of Rs 9.15/unit. This purchase is for meeting the peak demand of the State.

(iv) Commission further noted that, during the Year 2025-26 and 2026-27 also KSEBL has been continuing this type of huge dependence on Exchanges including TAM, without looking for other alternatives including enhancing own generation capacity for meeting the electricity demand of the State .

(v) Commission has noticed that, Keralam is bestowed with very good water potential for developing hydro projects including pumped storage hydro projects for meeting the summer peak demand of the State. A properly designed Pumped storage project is a viable alternative for meeting the peak demand, but obviously it is usually long gestation projects.

(vi) Central Government and CEA has been giving due importance for the development of the pumped storage projects. As per the details available at the CEA website, about 12 pumped storage projects with a total capacity of 16120MW is under construction in India. Further, as per the capacity addition plan of Pumped storage projects till 2031-32, CEA has planned to add 54610 MW by the year 2031-32. But it is ironical to note that, though KSEBL has identified many pumped storage schemes during the last decade, none of the projects of Keralam was listed in the CEA capacity addition plan for pumped storage projects till 2031-32.

(vii) Commission has also noted that, KSEBL has proposed 800MW Idukki (Golden Jubilee) Extension Scheme in the capital investment plan of SBU-G for the MYT period from 2022-23 to 2026-27, but no progress is reported sofar.

Though KSEBL has proposed few battery energy storage system (125 MW -500MWh) through SECI at Mylatti- Kasargod, and another 125MW-500 MWh total capacity, through NHPC at four substations across the State, its availability could not be ensured in the summer of 2026. Further, the energy availability and peak support from ongoing BESS is very limited and only a meagre portion of the peak demand shortage of the State can be met through these BESS projects.

(viii) All these reveals the laxity from the part of KSEBL to avoid high cost power purchase by enhancing own generation capacity for meeting the peak demand of the State.

(ix) Considering these aspects in detail, Commission hereby direct KSEBL management that, it should submit viable alternate proposals of generation capacity addition plans, including appropriate pumped storage schemes and BESS system for meeting the peak demand of the State. The proposals should include all supporting details including DPR, cost benefit

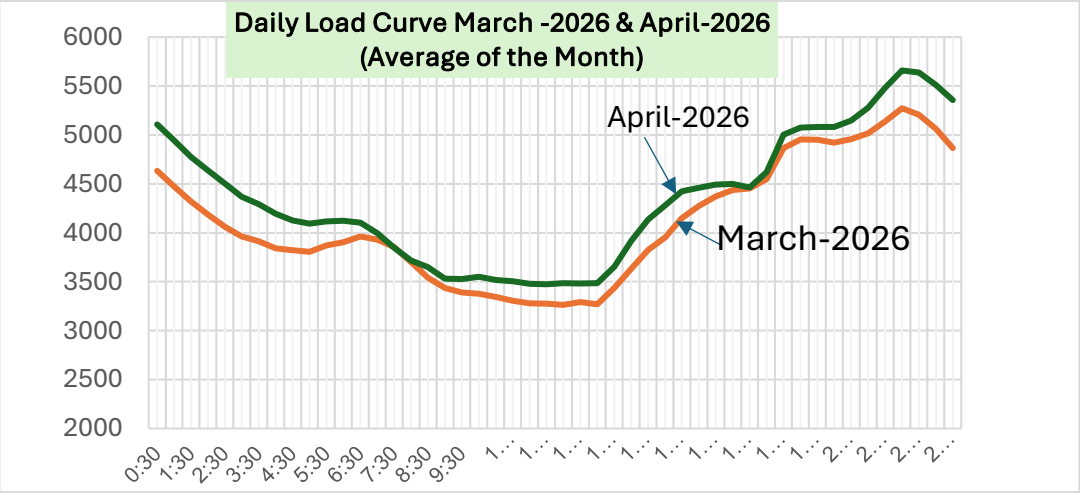
analysis, with achievable milestones including the time for getting clearances and approvals from statutory agencies, start date and time to be taken for completion and commissioning of such projects. KSEB Ltd shall also genuinely explore the possibility of associating with DISCOMs of various states having complimentary demand patterns to share such storage projects during respective peak season of each states.

Chairman and Managing Director of KSEBL and its Directors shall give due considerations of such viable alternatives for meeting the peak demand instead of purchasing power at excessive cost, and submit initial status by two months from the date of this Order.

Commission further clarify that, without such alternate plan and proposals, henceforth, Commission shall not grant blanket approval for short term power purchase including TAM purchase through Exchanges at excessive rates for meeting the peak demand.

(4) Emerging pattern of electricity demand of the State and how to tackle the same?

(i) Commission has noted that the already skewed electricity demand pattern of the State is witnessing a new trend, exacerbating the daily and seasonal variations, especially with the large penetration of roof top solar plants in the State during the last few years. In order to get a clarity on the issue, the average daily load curve for the summer months of March and April-2026 is given below.



(ii) It can be seen from the above that, even during the extreme summer months, the average day time demand of the State is about 3500MW only, where as the average peak demand between 9.30PM to 00:00 hrs of the mid night is above 5500MW (about 160% of the day time demand) and the recorded peak

demand crossing 6000MW. Similarly, the average night off-peak time demand upto 8.30AM is about 4500MW. This skewed pattern may further aggravate in the near future with the large penetration of Solar Plants including RTS in the State by availing various incentive/ subsidy Schemes notified by Central Government including PM Surya Ghar Yojana.

(iii) Commission also noted that, the day time demand met from the grid is decreasing/stagnant during the last few years, whereas the peak demand and night off-peak demand met from the grid is increasing upto 10% (even upto 16% in some months) over the previous years.

(iv) Commission has also noted that, due to the low demand during day time, KSEBL has been surrendering an average of about 10 MU per day from the long term contracts of CGS and IPPs. However, for meeting the peak demand and night off-peak demand (about 16 to 18 hours in a day), KSEBL need to continue the existing long term RTC contracts and even enter in to further new RTC contracts.

(v) It is also noted that, as per the data published at the MNRE website, the total RTS capacity in the State as on 31.03.2025 was 1190.8MW, but the same as on 31.03.2026 is 1850.40MW, i.e., an increase of about 660MW during the single year 2025-26 alone with an annual increase of 55% over previous year. The yearly capacity addition of RTS is much higher than the overall increase in day time electricity demand of the State.

(vi) With the subsidy scheme provided by the Central Government under PM Surya Ghar, the RTS capacity with net metering facility (for individual capacity upto 5kW) may continue to grow substantially in the near future also. With these trends, the day time demand for 'grid power' may likely to reduce further, and this may lead to forced surrender of more quantum of RTC power during day time, which can become technically infeasible too.

(vii) Commission further noted that, total solar capacity installed in the country as on 31.03.2026 is about 150GW as against 105 GW as on 31.03.2025. Due to the large penetration of Solar capacity in the country, the price of power in the market during day time is less than Rs 2/unit even during extreme summer months. But the national grid is also facing huge power deficit during Non solar hours and this has resulted in high price of electricity in the range of Rs 10/-per unit during peak hours upto 2 AM in the night. During remaining Non-solar hours also, the electricity price in the market is 3 to 4 times higher than the day time market rates.

(viii) Due to these facts including low electricity demand with reduced price during day time, KSEBL also has less opportunity to sell/ swap the surplus power with other power utilities in the Country.

(ix) Considering these facts, KSEBL has to plan alternate strategies to meet the electricity demand of the State with optimum capacity mix of the different sources available in the Country.

Among other things, as a short term solution, KSEBL may try to store the cheaper power available in the market during day time by installing more BESS capacity in the high demand locations/ load centers, for discharging the same during Non -Solar hours. There need to be new measures to enhance daytime consumption includes through storage at consumption points to reduce the skewness of the demand.

(x) However, KSEBL is not taking any serious efforts to tackle the emerging power situations in the State. KSEBL cannot continue to merely blame the RTS capacity addition as consumer participation in renewable integration is a policy imperative. Hence the present situation may become more severe if adequate steps are not taken to handle the situation.

(xi) Considering these aspects in detail, KSEBL has to initiate a detailed study, if required with the help of CEA or other technical experts in the power sector, to formulate different strategies and portfolios to handle the emerging power situation of the State. The study may also includes the financial impact on the utility as well as its impact on the electricity consumers of the State, who depends on KSEBL for meeting their electricity demand.

KSEBL shall submit the study report within three months from the date of this Order. Any laxity on this may be viewed seriously and may result in imposing penalties on KSEBL while approving Truing Up of accounts, orders on ARR and Tariff revision proposals.

(5) <u>Incentives for increasing the day time consumption by consumers by rationalizing the existing ToD tariff structure</u>

(i) As discussed earlier, the electricity demand from the grid during day time has been stagnant/ decreasing with the large penetration of RtS and ground mounted solar plants in the State. This has resulted in 'day time' surrender of power of about 10MU/ day during last year (2025-26). This trend may accelerate in the coming years also. The cost savings due to surrender of power is just the variable cost only, and except few NTPC stations, the average variable cost is less than Rs 3.50/unit.

(ii) Further, the average rate of power during day time in the exchanges and short term market also considerably less, and the average rate in DAM of IEX during 2025-26 was less than Rs 2.00/unit.

(iii) Commission has also noted that, out of 142 lakh of electricity consumers, about 3 lakh only installed Solar Plants and the balance 139 lakh consumers are depending on grid power during day time to meet the electricity demand of the State.

Further, the average tariff of the most of the tariff categories (except agriculture (LT-V(A) & LT-V(B), orphanages etc [LT-IV(D)] and lower slabs of domestic categories, are more than Rs 3.50/unit.

(iv) Hence, if KSEBL could increase the electricity consumption from the grid by the consumers during day time through adequate incentive/ promotion schemes, it will definitely advantages to the utility.

Considering these aspects in detail, in the last Tariff Order dated 05.12.2024, Commission has introduced 10% reduction in tariff for LT- Industrial categories and also for domestic consumers with monthly consumption above 250 units.

(v) Commission is of the view that, such type of incentives in the form of reduction in electricity tariff shall be extended to all categories of consumers of the State. Commission hereby clarify that, the incentive may not be limited to 10% of the energy charge, but the same may be proposed after a detailed financial impact study with the present market rate/ opportunity cost of surrender and the prevailing tariff, with the financial benefit to KSEBL and its consumers. An initial study report shall be submitted within two months from the date of this order.

(6) **Cost effective pricing for electricity drawn from the grid during peak time and night off-peak time by rationalizing existing ToD tariff.**

(i) Commission has noted that, all the electricity consumers, captive consumers and prosumers are availing grid power during peak hours and Non-solar hours.

(ii) However, as discussed elsewhere in this Order, the average market rate of peak power is in the range of Rs 10/unit and night off-peak power is in the range of Rs 7/unit. KSEBL has been supplying electricity to its consumers including prosumers with net metering facility during peak hours and night off-peak hours by availing high cost power from short term market including exchanges.

(iii) Commission is of the view that, the present ToD structure which is linked to the 'normal tariff' as a percentage of the normal tariff, will not give a clear price signal or incentive/disincentive for shifting the use of electricity to different time zones.

Further, the prosumers and captive consumers availing net metering facility has no incentive/ disincentive for optimising the electricity consumption from the grid during peak hours and night off-peak hours.

(iv) Hence, KSEBL may examine the possibility of introducing premium charges/surcharge for peak and off-peak consumption of electricity from the grid, in addition to the normal energy charge approved in the Tariff Order.

Obviously, the prosumers and captive consumers with net metering has to be exempted from payment of normal energy charge for the quantum of electricity adjusted against electricity banked with the grid by them. An initial study report shall be submitted within two months from the date of this order.

(7) Urgent need for more storage systems

As discussed elsewhere, the market price of electricity during day time is very low and considerable quantum of power from long term contract is also surrendering during day time. Further, the rate of sale for surplus power during day time also very less. However, KSEBL has been purchasing electricity during peak hours at very high cost.

The above situations warrants urgent need for more storage systems so that cheaper electricity available during day time can be stored and the same can be released during peak hours.

KSEBL shall submit an action taken report for the same may be submitted before the Commission, within two months from the date of this Order.

(8) **System to measure and monitor the daily production, and export of power by roof top solar and other RE systems of the prosumers**.

KSEBL has been implementing smart meters to its consumers in phased manner. KSEBL also has installed smart meters at its various substations.

In order to address the day time electricity generation and export to the grid from RTS installed by prosumers, and also look into the reverse power flow if any, KSEBL has to measure and monitor the daily

generation, export etc by the prosumers, at least for those who is having smart meters for the time being.

An action taken report of the same also may be submitted to the Commission within two months from the date of this Order.

(9) Additional incentives for reducing peak consumption by consumers and prosumers

(i) As discussed earlier, KSEBL has been spending heavily on purchasing electricity for meeting the peak demand of the State. However, there is no proper incentives / encouragement for those who are reducing the peak consumption consistently compared to the same months of the previous year/ previous month.

(ii) Definitely, KSEBL should have considerable savings in cost of power purchase, if the consumers and prosumers voluntarily reduce the consumption during peak hours and to shift their electricity usage pattern from peak hours to day time/ night off-peak hours.

(iii) Considering these aspects in detail, KSEBL may, after detailed study including the financial benefits, submit necessary proposals for providing incentives to those who reduce the peak consumption consistently compared to the previous year/ previous months.

(10) Demand Side Management initiatives by KSEBL.

(i) Commission is of the considered view that, the excessive consumption during peak hours can be addressed to a certain extent with the support and participation of the electricity consumers of the State. During the past also (especially in the years 2008-09, 2012-13 etc), the responsible consumers have cooperated with the efforts taken by KSEBL in this regard.

(ii) During the months of March and April-2026 also, the electricity consumers of the State has helped KSEBL to manage the peak demand through their participation by shifting the electricity usage, avoiding electricity usage other than the essential use.

(iii) The cooperation of the electricity consumers in this regard can be widened by creating awareness program through print and visual media and through social media platforms.

(iv) Commission vide the letter dated 11.12.2025 has directed KSEBL to submit the details of the initiatives taken by KSEBL in this regard to restrict the consumption during peak hours etc. But KSEBL has failed to submit a comprehensive proposal in this regard.

(v) There is a need to introduce appropriate demand response programs as well, to promote consumer/prosumer participation in appropriately managing the intra-day and inter seasonal surplus and deficit power scenario. The rolling out of smart meters provide new opportunity to introduce appropriate price signals for demand response and ensuring active participation of consumers/prosumers in demand management.

(vi) Considering the importance of the manner, KSEBL is directed take a comprehensive and result oriented action plan on continuous basis through print, visual and social media, to create awareness program on this critical issue. An action program in this regard on implementation of the DSM and demand response program shall be submitted to the Commission within two months from date of this Order.

(11) Category wise demand forecast of the consumers including prosumers of the State.

(i) As on date, KSEBL has about 142 lakh electricity consumers in the State, out of it more than 75% are in the domestic category. However, the electricity consumed by this category is only about 50% of the total consumption.

Total consumption of the industrial category including LT, HT &EHT is 24% and commercial categories is about 19% only.

(ii) Commission noted that, there is behavioral changes in the electricity consumption pattern of the electricity consumers over the years, especially for domestic categories and commercial consumers.

(iii) Very large number of prosumers are installing RTS system into the grid every year.

(iv) Further, electricity consumption of the consumers especially LT consumers including domestic categories is greatly influenced by weather conditions.

KSEBL shall conduct a study on the change in the consumption pattern of domestic consumers, especially the domestic category and an initial study report shall be submitted within two months from the date of this order.

(v) KSEB/ KSEBL is in existence since the Year 1957 onwards. The past data of the electricity consumption of various categories is available in the published documents of KSEBL such as ‘annual administration reports’, power system statistics, system operation statistics etc, even though soft copies of the past data may not be available.

(vi) There are modern software tools based on AI is also available to forecast the electricity demand and data analysis of each categories of consumers with a reasonable accuracies, based on the past consumer data including the yearly increase in consumer strength, connected load, contract demand, recorded maximum demand, their influence on weather conditions.

The time zone wise consumption of the different tariff categories and its shift/ change also play a critical role in estimating the time block wise electricity demand of the State.

Further, with a field survey, KSEBL can also ascertain the affinity of the consumers towards modern house hold equipment including usage of ovens, water heaters, air conditioners in addition to the normal equipment such as fridge, mixer grinders etc. Also, many number of consumers are presently use electricity for cooking by using induction cookers.

(vii) During the last two orders on Truing Up for the Year 2022-23 and 2023-24, Commission has directed KSEBL to conduct a detailed study of the electricity consumption pattern of the electricity consumers of the State and to conduct a realistic electricity demand forecast for a long term horizon of 10 to 15 years.

However, KSEBL is just extrapolating the past electricity consumption data and submitting the same as electricity demand forecast of the State. If the officers of the licensee are not able to rise to the occasion KSEBL can seek the support of external experts in this regard. However, KSEBL is a licensee engaged in electricity business during the last 70 years, is one of the oldest electricity utility in the Country, is expected to have the expertise and experience to carryout such studies. Commission expect KSEB Ltd to evolve evidence based inferences and strategies and effectively utilize its resources and bring up proposals based on extensive analysis of available data to address the emerging challenges.

(viii) Considering all these aspects in detail, Commission hereby direct KSEBL to establish an internal mechanism to carry out a realistic, category wise electricity demand forecast on continuous basis for a long term horizon to 10 to 15 years as well as on short term basis duly considering the above aspects. While carrying out the study, KSEBL shall also duly consider various aspects discussed under paragraphs 4.6 and 4.7 of this order.

First report of such study shall be submitted to the Commission within two months from the date of this Order.

(12) More efficient and effective functioning of SBU-G of KSEBL

More short term, medium term and long term planning, for improving generation of power within the State is urgently needed. Though generation is part under SBU(G) of KSEBL, there is no strategic planning is seen in this generation team.

There is a need for out of box thinking and new strategies for exploring new technologies including renewable sector, Solar, vertical axis wind turbines, pumped hydro projects, BESS etc.

An initial action plan on this aspect shall be submitted to the Commission with in two months from the date of this Order.

(13) Low capacity utilization factor (CUF) of the Solar Plants installed by KSEBL.

(i) Commission noted that, the CUF of the Solar Plants with a capacity of 49.60 MW installed by KSEBL is just 11.40% (average 2.74 units per kW per day), which is very low compared to the average generation potential of 4 units/kW per day. Commission has also noted the explanation given by KSEBL vide the letter dated 02.02.2026 for this low CUF.

(ii) But, KSEBL has not proposed any measures for rectifying the same. As the incumbent licensee of the State, KSEBL should behave as a model for others, and should take efforts to enhance the CUF of its solar plants to 21% range.

(iii) Hence, Commission hereby direct KSEBL Management to address the issue and take efforts to improve the CUF of the Solar plants owned and operated by KSEBL. Any lapses in this regard shall be viewed seriously and Commission may reduce the O&M charges and other expenses of Solar plants of KSEBL on pro-rata basis for the reduced CUF, with CUF @21% taken as the base.

(14) Low PLF of the NLC stations

Commission noted with concern that, in the last few years, the availability and schedule given by NLC stations are less than 50% of the normative availability specified by CERC. The average tariff of the electricity generated from the NLC stations are less than Rs 4.00/unit at Kerala periphery, but the per unit cost of power purchase from alternate sources for meeting the shortfall from NLC stations is in the range of Rs 7.50/unit to Rs 10.00/unit.

Commission has been repeatedly directing KSEBL to take up the issue of low plant availability of NLC stations with the Ministry of Power, GoI along with other Southern beneficiary States. However, KSEBL is yet to report the status of its compliance.

Commission hereby direct KSEBL to take up the issue of low plant availability of NLC stations with the Ministry of power and also with the Ministry of coal, GoI to sort out the issues, through the State Government and also in coordination with other Southern beneficiaries and report the status of compliance to the Commission within one month from date of this Order.

(15) Seeking PSDF Fund to 'Rigarh- Pugalur HVDC System

Attention of the KSEBL is invited to the paragraphs 118 to 123 of the **CERC Order dated 19.07.2025** in petition 173/TT/2021 with IA No. 92/2023 and petition No 242/TT/2021 with IA No. 91/2023, which is extracted under paragraph 5.131 of this Order.

Vide paragraph 123 of the Order, CERC observed as follows;
"123. We have carefully considered the contentions of the Petitioner and the Respondents and perused the record. We are of the considered view that the instant matters involve a substantial cost of approximately ₹22,000 crore. Accordingly, we once again direct the Petitioner to approach the Ministry of Power (MoP) and earnestly pursue the matter for availing an adequate grant from the Power System Development Fund (PSDF), with a view to mitigating the tariff burden on the beneficiaries."

KSEBL shall submit the status of the efforts of KSEBL and other beneficiaries to get PSDF grant from Ministry of Power, GoI, as suggested by CERC, to mitigate the tariff burden associated with 'Rigarh- Pugalur HVDC System. The details shall be submitted within two months from the date of the Order.

(16) Funding plan of the unfunded actuarial liability of the pensioners.

Commission vide the Order dated 30.06.2025 in the matter of Truing Up petition for the Year 2023-24 has directed KSEBL regarding the unfunded actuarial liability. The relevant portion of the Order is extracted below.
" (7) Though the Commission has been repeatedly directing the KSEB Ltd to file a proper petition with complete details on the unfunded actuarial liability and suitable proposal to fund the additional liability over the schemes already approved, with the approval of the Director Board of KSEB Ltd and with the approval of the State Government, the same is yet to be submitted before the Commission. The Commission views these lapses from KSEB Ltd management very seriously. KSEB Ltd is only responsible for any failure from the part of it to meet the pension payment obligations as per the revesting notification of the State Government dated 31.10.2013 and its amendment dated 28.01.2015.

The Commission has serious reservation on the way in which the Master Trust is working. There is no proper coordination on the various activities of the Trust including investing the surplus into the annuities, taking up the various directions of the Commission on this issue with the Board Management and State Government, providing details on the pension and related issues to the Commission, coordinating with the actuaries etc. The functioning of the cell constituted for the Trust does not appears to be commensurate with the role and responsibilities cast on the Trust through the statutory transfer scheme.

Hence the Commission hereby direct that, the cell for coordinating the activities of the Master Trust shall be reconstituted with a dedicated team with adequate qualification, experience and have dedication to work.

KSEB Ltd shall file a proper petition with complete details on the unfunded actuarial liability and suitable proposal to fund the additional liability over the schemes already approved, with the approval of the Director Board of KSEB Ltd and with the approval of the State Government, within three months from the date of this Order."

However, KSEBL is yet to file the proposals as directed by the Commission. Commission noted with concern that, KSEBL management and even trustees of the Master Trust is not adequately serious on this critical issue.

Hence, once again, Commission herby direct KSEBL to file a proper petition with complete details on the unfunded actuarial liability and suitable proposal to fund the additional liability over the schemes already approved, with the approval of the Director Board of KSEB Ltd and with the approval of the State Government. The petition shall be filed within three months from the date of this Order.

(17) Human Resource Management and optimum utilization of the manpower

In this matter, Commission, vide the Order dated 30.06.2025 in the matter of Truing Up of Accounts of KSEBL for the Year 2023-24 has issued the following directions to KSEBL regarding human resource management and related issues;

"Second major component of the expenses of KSEBL is the employee cost. But KSEBL is not seen giving due importance for HR functions including the reporting the vacancies to the Kerala Public Service Commission, and filling up the vacant places through recruitment and promotions etc.

It is noticed that, in various responsible positions in KSEBL, especially in technical side of each functional units are severely affected by shortage of manpower, and contract employees are engaged against the sanctioned posts.

Considering the importance of the matter, Commission hereby direct KSEBL to report the manpower details of each functional units in the format enclosed as Annexure 7.2, within one week after the end of each quarter.

Chairman and Managing Director (CMD) of KSEBL shall ensure strict compliance of the same."

But KSEBL is yet to submit a concrete proposals in this regard.

Commission further noted that, though the Commission in its various Orders has directed KSEBL to submit a comprehensive HR policy, procedures for the effective utilization of the existing manpower, the final report is yet to be submitted before the Commission.

Considering these aspects in detail, Commission herby direct KSEBL to submit concreate proposals for man power rationalization, within two months from the date of this Order. While doing so, KSEBL shall duly consider the computerization in its various functional units, technological advancement in construction, operation and maintenance of assets in generation, transmission and distribution. Further, accounting, collection of revenue of lion's share of consumers making digital/online payments, and many activities are already automated resulting in reduction in requirement of man power in these items of activities including smart meter implementation, AI tools etc. While doing so, KSEBL would be required to take appropriate decision for re-deployment of the redundant posts and for optimum utilization of the manpower.

(18) Laxity from the part of KSEBL officials in complying with the directives of the Commission in the previous Orders on Truing UP.

Commission has noticed that, though the Commission has issued various directives along with the Orders on Truing Up for the Year 2021-22, 2022-23 and 2023-24 for strict compliance within the time limit specified therein, KSEBL is reluctant to submit the compliance report within the time limit specified therein. In previous two years, the status of compliance was submitted based on specific, subsequent request from Commission as part of the deliberations of the petitions of Truing Up of the subsequent years.

Hence, Commission may invite the attention of the Chairman and Managing Director on this issue, and to fix a responsibility matrix of the officers of the concerned functional units/wing for compliance of the direction of the Commission. Further, necessary direction may be issued to all concerned officials to comply with directives within the time limit specified there in, and also report the progress periodically before the Commission

The petition is disposed of and ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
Rajendran K. V
Secretary

Annexure-2.1

Generating Stations owned and operated by SBU-G of KSEBL as on 31.03.2025

Sl. No	Name of Station	Installed Capacity of the plant		Annual Generation Designed MU	Date of Commissioning	
		No. of Generators . X Capacity in (MW)	Plant Capacity in (MW)		Original date	After Renovation
I	**Hydro plants**					
1	Idukki	6 x 130	780	2398.00	12.02.1976/07.06.1976/24.12.1976/04.04.1985/22.03.1986/09.09.1986	(First stage three machines renovated) 14.07.2020/18.01.2020/ 16.03.2019
2	Sabarigiri	4 x 55 + 2x 60	340	1338.00	18.04.1966/14.06.1966/29.12.1966/22.06.1967/09.09.1967/26.11.1967	03.12.2009/07.02.2009/17.03.2008/06.05.2014/05.05.2006/ 01.07.2005
3	Idamalayar	2 x 37.5	75	380.00	03.02.1987/28.02.1987	
4	Sholayar	3x18	54	233.00	09.05.1966/26.01.1968/14.05.1968	05.10.2020 /19.01.2020/18.09.2019
5	Pallivasal	3 x 5+ 3x7.5	37.5	284.00	19.03.1940/02.02.1941/10.02.1942/01.05.1948/01.10.1949/07.03.1951	19.11.2001/17.11.2001/20.11.2001/26.08.2002/21.08.2002/19.08.2002
6	Kuttiyadi	3x25	75	268.00	11.09.1972/01.11.1972/28.11.1972	
7	Kuttiyadi Extension	1x50	50	75.00	27.01.2001	
8	Kuttiyadi Addl Ext	2x50	100	223.00	11.10.2010/30.10.2010	
9	Neriamangalam	3 x17.5	52.5	237.00	27.01.1961/09.04.1961/11.05.1963	20.10.2004/31.11.2005/29.09.2006
10	Lower Periyar	3 x 60	180	493.00	27.09.0997/22.10.1997/28.11.1997	
11	Poringalkuthu	4x9	36	191.00	06.03.1957/13.01.1958/24.04.1959/06.02.1960	14.04.2014/15.08.2014/08.02.2015/29.05.2015
12	Sengulam	4 x 12.8	51.2	182.00	01.05.1954/25.071954/ 11.11.1954/05.01.1955	30.11.2002/04.10.2002/05.12.2001/01.12.2001
13	Panniar	2 x 16.2	32.4	158.00	29.12.1963/26.01.1964	01.02.2003/23.11.2001
14	Kallada	2x7.5	15	65.00	05.09.1994/ 05.01.1994	
15	Peppara	1x3	3	11.50	15.06.1996	
16	Madupatty	1x2	2	6.40	14.01.1998	
17	PLBE	1x16	16	74.00	20.03.1999	
18	Kakkad	2x25	50	262.00	13.10.1999	
19	Malampuzha	1x2.5	2.5	5.60	26.11.2001	
20	Chembukadavu - 1	3x0.9	2.7	6.59	19.08.2003	
21	Chembukadavu - 2	3x1.25	3.75	9.03	04.09.2003	
22	Urumi -1	3x1.25	3.75	9.72	25.01.2004	
23	Urumi -2	3x0.8	2.4	6.28	25.01.2004	
24	Malankara	3x3.5	10.5	65.00	23.10.2005	
25	Lower Meenmutty	(1x0.5 + 2x1.5)	3.5	7.63	25.03.2006	
26	Neriamangalam Extr	1x25	25	58.27	27.05.2008	
27	KTR	3x1.25	3.75	15.00	2008-09	
28	Poozhithode	3 x 1.6	4.8	10.97	25.06.2011	
29	Ranni-Perinadu	2x2	4	16.73	16.02.2012	
30	Peechi	1x1.25	1.25	3.21	07.01.2013	
31	Vilangad	3x2.5	7.5	22.63	09.01.2014	
32	Adyanpara	2x1.5+0.5	3.5	9.01	09.03.2015	
33	Chimmony	1x2.5	2.5	6.70	22.05.2015	
34	Vellathooval	2x1.8	3.6	12.70	08.09.2016	
35	Barapole	3x5	15	36.00	29.02.2016	
36	Poringalkuthu Micro (Screw Turbine)	1x 0.011	0.01	0.08	01.02.2016	
37	Perunthenaruvi	2x3	6	25.77	24.10.2017	
38	Kakkayam SHEP	2x1.5	3	10.39	16.07.2018	
39	Chathankottunada Stage-II	3x2	6	14.76	25-06-2021	
40	Upper Kallar	2x1	2	5.14	30.09.2021	
41	Poringalkuthu 24MW	1x24	24	45.02	04.05.2022	
42	Peruvannamoozhy	2x3	6	24.70	19-07-2023	
43	Thottiar HEP	10x 1+ 30x1	40	99.00	28.10.2024	
44	Pallivasal Extension	30 x2	60	153.90	05.12.2024 (1st unit) & 24.12.2024 (2nd unit)	
	Sub total		**2196.61**	**7558.73**		
II	**Thermal Plants**					
1	BDPP	3 x 21.22	63.66		Diesel plants commissioned in 1998-99 period. Not operating due to high cost	
2	KDPP	6x 16	96.00			
	Sub total		159.66			
III	Wind plant	9 x 0.225	2.03	4	18.05.1995	
IV	Solar plants		51.43		2018-19 to 2023-24	
	Grand Total		2409.73			

Annexure- 2.2

Month wise details of inflow received at reservoirs owned by KSEBL

Sl.no.	Station	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
1	Kuttiadi HEP	10.47	17.72	104.45	342.43	127.82	95.50	51.70	22.95	21.87	12.89	10.82	10.60	829.20
2	Poringal	0.00	3.35	27.07	110.15	36.28	12.32	16.21	1.54	1.20	0.00	0.00	0.00	208.10
3	Kundala & Madupetty	11.10	25.01	42.96	120.24	101.87	47.72	33.68	27.15	25.56	2.59	0.00	0.00	437.90
4	Anayirankal& Ponmudi	0.00	11.01	38.97	103.03	112.81	67.50	66.86	67.37	45.24	18.87	4.95	1.04	537.70
5	Neriamangalam	0.00	4.31	41.96	213.05	138.65	40.56	39.12	20.29	6.39	9.89	9.42	12.87	536.50
6	Pamba & Kakki	30.04	78.81	246.45	371.72	219.50	179.09	112.32	87.23	129.58	44.25	26.71	31.06	1556.70
7	Idukki	11.81	138.89	388.51	729.39	403.95	255.69	240.83	129.15	143.81	35.32	7.94	25.13	2510.40
8	Idamalayar	1.85	7.41	37.77	111.39	55.63	36.36	43.28	13.98	11.80	5.35	3.61	2.84	331.30
9	Lower Periyar	2.25	9.99	16.46	65.20	23.99	31.54	20.81	16.50	14.58	1.15	0.00	0.00	202.46
10	Sholayar	7.12	8.04	23.17	102.15	92.67	33.78	47.41	29.00	10.76	38.15	5.74	9.70	407.69
	TOTAL	74.64	304.54	967.77	2268.74	1313.17	800.06	672.21	415.16	410.80	168.47	69.17	93.22	7557.94

Annexure 2.3

Comparison of the actual inflow vs anticipated inflow

Months	Anticipated Inflow (MU)	Actual Gross Inflow (MU)	Actual Spill (MU)	Actual Net Inflow (MU)	Surplus (+) / Deficit (-) (MU)
Apr-24	117.60	74.64	0.00	74.64	100.00%
May-24	197.54	304.54	0.00	304.54	
Jun-24	793.69	967.77	19.10	948.67	
Jul-24	1487.45	2268.74	381.90	1886.84	83.17%
Aug-24	1299.96	1313.17	261.30	1051.87	80.10%
Sep-24	986.62	800.06	41.70	758.36	94.79%
Oct-24	764.35	672.21	0.90	671.31	99.87%
Nov-24	536.93	415.16	0.00	415.16	100.00%
Dec-24	254.74	410.80	0.00	410.80	100.00%
Jan-25	137.58	168.47	0.00	168.47	100.00%
Feb-25	80.24	69.17	0.00	69.17	100.00%
Mar-25	102.66	93.22	0.00	93.22	100.00%
Total	6759.36	7557.95	704.90	6853.05	90.67%

Annexure- 2.4

Station wise hydro generation for the Year 2024-25

Sl No	Hydro Electric Stations	Gross Generation (MU)	Aux Generation (MU)	Net Generation (MU)	% aux. consumption w.r.t total generation
1	Idamalayar	339.791	3.921	335.871	1.15%
2	Idukki	2413.433	28.856	2384.577	1.20%
3	Kakkad	205.741	2.506	203.235	1.22%
4	Kallada	68.086	0.513	67.573	0.75%
5	Kuttiyadi	157.094	1.151	155.943	0.73%
6	KES	186.621	2.314	184.308	1.24%
7	KAES	422.379	5.084	417.295	1.20%
8	KuttiyadiTail Race	7.442	0.073	7.369	0.98%
9	Lower Meenmutty	6.302	0.109	6.193	1.72%
10	Lower Periyar	585.371	7.179	578.192	1.23%
11	Maduppatty	4.805	0.05	4.755	1.05%
12	Malampuzha	4.531	0.043	4.488	0.96%
13	Malankara	29.073	0.276	28.797	0.95%
14	Neriamangalam	235.117	2.796	232.322	1.19%
15	NES	88.258	1.072	87.186	1.21%
16	Pallivasal	133.685	0.958	132.727	0.72%
17	Panniyar	171	2.08	168.92	1.22%
18	Peppara	10.629	0.049	10.58	0.46%
19	Poringalkuthu (PLB)	148.944	1.821	147.122	1.22%
20	PLBE	72.07	0.899	71.171	1.25%
21	PLBAE	108.417	1.259	107.158	1.16%
22	Sabarigiri	1318.317	16.425	1301.893	1.25%
23	Sengualm	127.008	8.325	118.683	6.55%
24	Vellathooval SHEP	6.175	0.098	6.077	1.59%
25	Sholayar	252.386	3.069	249.317	1.22%
26	Chembukadvu - I	4.065	0.015	4.051	0.36%
27	Chembukadavu- II	6.102	0.022	6.08	0.37%
28	Urumi - I	7.017	0.02	6.997	0.28%
29	Urumi - II	0	0	0	0.00%
30	Poozhithode	10.689	0.043	10.646	0.40%
31	Ranni-Perinadu	5.786	0.102	5.684	1.76%
32	Peechi	2.476	0.06	2.417	2.42%
33	Vilangadu	14.942	0.063	14.879	0.42%
34	Chimmony	7.72	0.043	7.677	0.55%
35	Addyanpara	9.874	0.045	9.829	0.46%
36	Barapole	43.981	0.138	43.843	0.31%
37	Perunthenaruvi	9.514	0.082	9.432	0.86%
38	Kakkayam	10.386	0.09	10.296	0.87%
39	Chathankottunada	14.037	0.065	13.972	0.47%
40	Upper Kallar	4.828	0.014	4.814	0.28%
41	Poringal kuthu screw generation	0.053	0	0.053	0.00%
42	Peruvannamuzhy SHEP	3.409	0.057	3.352	1.68%
43	Thottiyar	34.671	0.733	33.938	2.11%
44	PES	51.581	1.163	50.418	2.25%
	Total	7343.808	93.679	7250.129	1.28%

Annexure 2.5

Month wise Station wise Hydro Generation in MU (gross generation) (2024-25)

Sl No	Name of stations	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1	Idamalayar	28.84	22.37	28.37	23.29	42.99	33.62	22.41	9.53	29.39	30.83	32.04	36.11	339.79
2	Idukki	207.04	220.62	265.43	238.90	279.91	223.43	128.97	130.12	121.52	173.14	179.30	245.04	2413.43
3	Kakkad	19.87	18.60	25.13	25.58	24.49	19.81	13.71	13.88	9.53	11.85	14.92	8.38	205.74
4	Kallada	5.15	4.35	4.34	7.91	9.86	7.38	0.93	1.79	6.16	6.37	6.74	7.10	68.09
5	Kuttiyadi	8.54	8.49	12.49	28.37	27.32	24.77	5.21	8.92	6.98	11.08	7.17	7.75	157.09
6	KES	12.50	11.75	14.37	29.21	28.60	27.07	2.91	12.91	12.59	14.09	10.49	10.14	186.62
7	KAES	29.64	23.52	31.80	64.71	59.48	49.48	54.01	23.47	25.42	16.45	22.33	22.06	422.38
8	KuttiyadiTail Race	0.48	0.46	0.56	1.21	1.17	1.13	0.18	0.49	0.43	0.56	0.39	0.39	7.44
9	Lower Meenmutty	0.02	0.58	0.98	0.98	0.86	0.65	0.98	0.74	0.34	0.11	0.03	0.03	6.30
10	Lower Periyar	15.33	25.57	54.24	99.73	111.89	82.00	66.27	52.95	35.06	18.14	11.50	12.69	585.37
11	Maduppatty	0.35	0.35	0.12	0.00	0.50	0.94	0.75	0.54	0.25	0.30	0.35	0.34	4.80
12	Malampuzha	0.00	0.00	0.00	0.00	0.03	0.27	0.50	0.68	0.80	1.30	0.90	0.06	4.53
13	Malankara	2.67	2.40	2.30	2.22	2.40	2.60	2.48	2.19	2.06	2.27	2.37	3.12	29.07
14	Neriamangalam	10.21	13.33	23.14	30.99	31.25	27.85	27.97	27.30	18.01	10.17	8.58	6.33	235.12
15	NES	1.56	0.00	5.94	17.11	18.31	14.07	12.05	5.33	0.03	5.31	2.63	5.93	88.26
16	Pallivasal	14.44	14.72	14.41	15.01	15.01	14.57	9.64	14.07	9.82	6.33	3.29	2.38	133.68
17	Panniyar	11.40	6.90	11.59	17.31	23.93	22.68	19.47	20.89	12.99	11.06	6.87	5.91	171.00
18	Peppara	0.48	0.19	1.04	1.52	1.70	1.02	1.24	0.73	0.76	0.65	0.63	0.66	10.63
19	Poringalkuthu (PLB)	3.04	5.00	13.57	27.65	27.38	25.10	22.60	9.00	3.67	4.14	4.53	3.25	148.94
20	PLBE	8.01	6.93	8.57	11.95	4.70	0.00	6.19	6.96	4.63	1.44	5.34	7.36	72.07
21	PLBAE	2.18	3.11	10.41	16.91	17.12	16.18	15.53	10.30	3.75	6.10	1.90	4.92	108.42
22	Sabarigiri	144.40	122.71	154.41	160.39	151.50	120.50	83.07	87.45	57.02	75.87	98.82	62.18	1318.32
23	Sengualm	9.42	9.74	10.33	12.13	13.20	10.36	11.80	10.87	11.96	9.11	8.10	9.99	127.01
24	Vellathooval SHEP	0.29	0.34	0.51	0.78	0.96	0.78	0.72	0.56	0.37	0.29	0.25	0.34	6.18
25	Sholayar	23.06	14.23	13.73	8.27	32.67	27.45	28.37	23.52	13.00	19.64	21.10	27.36	252.39
26	Chembukadvu - I	0.00	0.00	0.63	1.22	0.78	0.63	0.65	0.13	0.03	0.00	0.00	0.00	4.07
27	Chembukadavu- II	0.00	0.00	0.93	1.77	1.22	0.97	0.98	0.19	0.04	0.00	0.00	0.00	6.10
28	Urumi - I	0.00	0.00	1.33	1.61	1.35	1.03	1.37	0.20	0.14	0.00	0.00	0.00	7.02
29	Urumi - II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Poozhithode	0.00	0.03	1.89	3.01	1.77	1.75	1.66	0.37	0.20	0.01	0.00	0.00	10.69
31	Ranni-Perinadu	0.61	0.55	0.47	0.48	0.66	0.63	0.60	0.59	0.47	0.23	0.31	0.18	5.79
32	Peechi	0.00	0.06	0.00	0.01	0.23	0.33	0.38	0.16	0.23	0.20	0.43	0.45	2.48
33	Vilangadu	0.00	0.12	2.09	4.60	2.18	2.99	2.16	0.48	0.29	0.04	0.00	0.00	14.94
34	Chimmony	0.00	0.00	0.00	0.04	1.54	1.13	0.87	0.77	0.73	0.77	1.10	0.77	7.72
35	Addyanpara	0.00	0.16	1.36	2.33	1.96	1.34	1.70	0.61	0.28	0.08	0.03	0.03	9.87
36	Barapole	0.00	0.00	2.22	10.98	10.30	9.55	6.69	2.87	1.38	0.00	0.00	0.00	43.98
37	Perunthenaruvi	0.00	0.00	0.71	1.25	1.67	1.51	1.72	1.05	1.31	0.25	0.05	0.00	9.51
38	Kakkayam	0.60	0.51	0.81	1.63	1.49	1.26	1.37	0.59	0.63	0.40	0.55	0.55	10.39
39	Chathankottunada	0.00	0.24	2.54	3.84	2.80	1.90	2.11	0.38	0.19	0.02	0.00	0.00	14.04
40	Upper Kallar	0.02	0.13	0.48	0.64	1.11	0.95	0.77	0.41	0.24	0.04	0.04	0.01	4.83
41	Poringal Micro	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.05
42	Peruvannamuzhy	0.00	0.00	0.00	0.00	0.00	0.00	1.54	0.83	0.14	0.23	0.67	0.00	3.41
43	Thottiyar	0.00	0.00	0.00	0.77	3.60	6.50	8.61	7.70	5.62	1.37	0.25	0.26	34.67
44	PES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72	12.09	12.13	11.63	15.02	51.58
	Sub total	**560.15**	**538.04**	**723.26**	**876.30**	**959.88**	**786.20**	**571.13**	**493.22**	**410.54**	**452.37**	**465.61**	**507.09**	**7343.81**

Annexure 4.1

Comparison of energy sale- estimated and actuals for the Year 2024-25

Sl. No	Category	Approved	Actual	Deviation	% variation of energy sales against approval
		(MU)	**(MU)**	**(MU)**	
I	LT I Domestic	14661.16	13873.78	-787.38	-5.37%
	LT II	3.85		-3.85	
	LT III		2.02	2.02	
	LT IV A Industrial	1119.86	1306.90	187.04	16.70%
	LT IV B Industrial	8.79	12.55	3.76	42.78%
	LT V A Agriculture	364.32	326.41	-37.91	-10.41%
	LT V B Agriculture	69.64	99.69	30.05	43.15%
	LT VI A General	191.97	274.16	82.19	42.81%
	LT VI B General	124.17	138.06	13.89	11.19%
	LT VI C General	271.28	291.16	19.88	7.33%
	LT VI D General	22.63	31.51	8.88	39.24%
	LT VI E General	3.32	4.36	1.04	31.33%
	LT VI F General	1056.12	1268.80	212.68	20.14%
	LT VI G General	75.96	120.37	44.41	58.46%
	LT VII A Commercial	1683.26	2623.21	939.95	55.84%
	LT VII B Commercial	226.27	164.35	-61.92	-27.37%
	LT VII C Commercial	23.73	51.47	27.74	
	LT VIII A Public lighting	200.58	206.17	5.59	2.79%
	LT VIII B Public lighting	110.03	172.08	62.05	56.39%
	LT IX Advertisement & Hoardings	0.97	2.76	1.79	
	LT X - EV charging stations	0.55	14.50	13.95	
	LT total	**20218.46**	**20984.31**	**765.85**	**3.79%**
II	HT I A Industrial	2493.16	2578.82	85.66	3.44%
	HT I B Industrial	15.15	17.84	2.69	17.76%
	HT I C General		7.69	7.69	#DIV/0!
	HT II A General	209.31	300.99	91.68	43.80%
	HT II B General	649.00	808.17	159.17	24.53%
	HT III A Agriculture	9.67	4.45	-5.22	-53.98%
	HT III B Agriculture	2.50	2.39	-0.11	-4.40%
	HT IV A Commercial	375.44	375.47	0.03	0.01%
	HT IV B Commercial	363.16	678.30	315.14	86.78%
	HT V Domestic	27.75	23.48	-4.27	-15.39%
	HT VI EV charging stations	127.86	5.78	-122.08	-95.48%
	HT VII Temporary	0.00	1.12	1.12	
	HT Total	**4273.00**	**4804.50**	**531.50**	**12.44%**
III	EHT I 66 KV Industrial	325.58	188.61	-136.97	-42.1%
	EHT II 110 KV Industrial	782.43	678.25	-104.18	-13.3%
	EHT III 220 KV Industrial	149.22	215.58	66.36	44.5%
	EHT General A	13.45	5.30	-8.15	-60.6%
	EHT General B	45.61	43.54	-2.07	-4.5%
	EHT General C		53.33	53.33	
	EHT Commercial		2.64	2.64	
	EHT Railway Traction	385.00	460.02	75.02	19.5%
	KMRL	10.75	17.24	6.49	60.4%
	EHT Total	**1712.04**	**1664.51**	**-47.53**	**-2.8%**
IV	Bulk Supplyconsumers / Licensees	693.09	695.05	1.96	0.3%
V	HT, EHT & Licensees	6678.13	7164.06	485.93	7.3%
	Total energy sales by KSEBL	**26896.59**	**28148.37**	**1251.78**	**4.7%**
	Energy availed through open access		432.12	432.12	
	Energy adjusted against captive/prosumer injection		725.23	725.23	

Annexure 4.2

Comparison of Energy Sales

	2021-22	2022-23			2023-24			2024-25		
Ctegory	(MU)	(MU)	Increase over previous Year (MU)	(%) of increase	(MU)	Increase over previous Year	(%) of increase	(MU)	Increase over previous Year	(%) of increase
LT I Domestic	12679.39	12380.21	-299.18	-2.36%	13735.43	1355.22	10.9%	13873.78	138.35	1.01%
LT- Temp		1.39	1.39		1.94	0.55	39.6%	2.02	0.08	4.12%
LT IV A Industrial	1157.40	1251.91	94.51	8.17%	1286.18	34.27	2.7%	1306.90	20.72	1.61%
LT IV B Industrial	7.81	10.11	2.30	29.45%	12.13	2.02	20.0%	12.55	0.42	3.46%
LT V A Agriculture	283.21	286.38	3.17	1.12%	355.43	69.05	24.1%	326.41	-29.02	-8.16%
LT V B Agriculture	90.88	96.07	5.19	5.71%	95.82	-0.25	-0.3%	99.69	3.87	4.04%
LT VI A General	181.46	233.49	52.03	28.67%	262.29	28.80	12.3%	274.16	11.87	4.53%
LT VI B General	115.15	126.51	11.36	9.87%	136.39	9.88	7.8%	138.06	1.67	1.22%
LT VI C General	223.43	249.53	26.10	11.68%	281.74	32.21	12.9%	291.16	9.42	3.34%
LT VI D General	20.85	25.82	4.97	23.84%	29.29	3.47	13.4%	31.51	2.22	7.58%
LT VI E General	2.64	3.37	0.73	27.65%	3.97	0.60	17.8%	4.36	0.39	9.82%
LT VI F General	978.61	1069.52	90.91	9.29%	1210.62	141.10	13.2%	1268.80	58.18	4.81%
LT VI G General	76.42	89.38	12.96	16.96%	110.38	21.00	23.5%	120.37	9.99	9.05%
LT VII A Commercial	1558.56	2079.98	521.42	33.46%	2444.41	364.43	17.5%	2623.21	178.80	7.31%
LT VII B Commercial	137.49	151.40	13.91	10.12%	163.53	12.13	8.0%	164.35	0.82	0.50%
LT VII C Commercial	12.96	26.99	14.03	108.26%	35.47	8.48	31.4%	51.47	16.00	45.11%
LT VIII A Public lighting	230.41	218.64	-11.77	-5.11%	217.45	-1.19	-0.5%	206.17	-11.28	-5.19%
LT VIII B Public lighting	132.42	143.66	11.24	8.49%	157.11	13.45	9.4%	172.08	14.97	9.53%
LT IX Advertisement	1.23	1.78	0.55	44.72%	2.10	0.32	18.0%	2.76	0.66	31.43%
LT X EV charging	0.69	2.56	1.87	271.01%	8.45	5.89	230.1%	14.50	6.05	71.60%
Total	17891.01	18448.70	557.69	3.12%	20550.13	2101.43	11.4%	20984.31	434.18	2.11%
HT Category										
HT I A Industrial	2286.81	2470.95	184.14	8.1%	2503.49	32.54	1.3%	2578.82	75.33	3.0%
HT I B Industrial	10.09	15.04	4.95	49.1%	18.27	3.23	21.5%	17.84	-0.43	-2.4%
HT-1 C (Petronet)								7.60		
HT II A General	200.50	244.69	44.19	22.0%	284.7	40.01	16.4%	300.99	16.29	5.7%
HT II B General	612.24	677.94	65.70	10.7%	766.75	88.81	13.1%	808.17	41.42	5.4%
HT III A Agriculture	6.49	6.75	0.26	4.0%	5.58	-1.17	-17.3%	4.45	-1.13	-20.3%
HT III B Agriculture	2.14	2.30	0.16	7.5%	2.39	0.09	3.9%	2.39	0.00	0.0%
HT IV A Commercial	253.48	316.09	62.61	24.7%	373.11	57.02	18.0%	375.47	2.36	0.6%
HT IV B Commercial	303.97	498.62	194.65	64.0%	602.15	103.53	20.8%	678.30	76.15	12.6%
HT V Domestic	17.97	19.07	1.10	6.1%	21.82	2.75	14.4%	23.48	1.66	7.6%
HT VI EV		0.53	0.53		2.19	1.66	313.2%	5.78	3.59	163.9%
HT VII Temporary	0.27	0.30	0.03	11.1%	1.17	0.87	290.0%	1.12	-0.05	-4.3%
HT Total	3693.96	4252.28	558.32	15.1%	4581.62	329.34	7.7%	4804.41	222.79	4.9%
EHT category										
EHT I 66 KV Industrial	210.46	231.07	20.61	9.8%	237.66	6.59	2.9%	188.61	-49.05	-20.6%
EHT II 110 KV Industrial	615.24	715.56	100.32	16.3%	770.9	55.34	7.7%	678.25	-92.65	-12.0%
EHT III 220 KV Industrial	193.21	225.7	32.49	16.8%	279.27	53.57	23.7%	215.58	-63.69	-22.8%
EHT General A	13.82	4.45	-9.37	-67.8%	5.09	0.64	14.4%	5.30	0.21	4.1%
EHT General B	44.83	36.7	-8.13	-18.1%	39.92	3.22	8.8%	43.54	3.62	9.1%
EHT General C		26.76	26.76		35.24	8.48	31.7%	53.33	18.09	51.3%
EHT Commercial			0		17.88	17.88		2.64	-15.24	-85.2%
EHT Railway Traction	318.29	388.9	70.61	22.2%	420.96	32.06	8.2%	460.02	39.06	9.3%
KMRL	11.37	13.43	2.06	18.1%	14.31	0.88	6.6%	17.24	2.93	20.5%
Bulk consumers/ licensee	506.91	579.13	72.22	14.2%	650.44	71.31	12.3%	695.05	44.61	6.9%
Sub Total	1914.13	2221.7	307.57	16.1%	2471.67	249.97	11.3%	2359.56	-112.11	-4.5%
Grand Total	23499.10	24922.68	1423.58	6.1%	27603.42	2680.74	10.8%	28148.28	544.86	2.0%

Annexure 4.3

Comparison of the category wise consumer strength

	2021-22	2022-23		2023-24		2024-25	
Ctegory	(Nos)	(Nos)	Increase over previous Year (Nos)	(Nos)	Increase over previous Year (Nos)	(Nos)	Increase over previous Year (Nos)
LT I Domestic	10246625	10376078	129453	10494734	118656	10618663	123929
LT- Temp			0		0		0
LT IV A Industrial	143136	143933	797	144719	786	145564	845
LT IV B Industrial	2355	2653	298	2886	233	3081	195
LT V A Agriculture	476642	482403	5761	489383	6980	498674	9291
LT V B Agriculture	33635	35934	2299	37043	1109	38284	1241
LT VI A General	127471	129385	1914	131106	1721	133075	1969
LT VI B General	46815	39282	-7533	39516	234	40087	571
LT VI C General	44278	45506	1228	47452	1946	49203	1751
LT VI D General	33857	34797	940	35310	513	35855	545
LT VI E General	10338	10697	359	11000	303	11386	386
LT VI F General	520053	552335	32282	578128	25793	593665	15537
LT VI G General	18193	19503	1310	20944	1441	22338	1394
LT VII A Commercial	1213401	1273887	60486	1329401	55514	1372203	42802
LT VII B Commercial	437950	425337	-12613	414964	-10373	407912	-7052
LT VII C Commercial	1301	1907	606	3229	1322	8372	5143
LT VIII A Public lighting	1618	1639	21	1605	-34	1582	-23
LT VIII B Public lighting	55576	62736	7160	71255	8519	79359	8104
LT IX Advertisement & Hoardings	2058	1869	-189	1975	106	2232	257
LT X Electric vehicle charging stations	219	1536	1317	1813	277	2078	265
Total	13415521	13641417	225896	13856463	215046	14063613	207150
HT I A Industrial	2649	2859	210	3010	151	3081	71
HT I B Industrial	27	28	1	27	-1	27	0
			0		0	1	1
HT II A General	443	475	32	528	53	551	23
HT II B General	1111	1149	38	1230	81	1276	46
HT III A Agriculture	53	55	2	56	1	54	-2
HT III B Agriculture	10	10	0	10	0	11	1
HT IV A Commercial	1197	1226	29	1241	15	1285	44
HT IV B Commercial	1193	1258	65	1368	110	1471	103
HT V Domestic	125	131	6	138	7	146	8
HT VI EV		3	3	4	1	7	3
HT VII Temporary			0	3	3		-3
HT Total	6808	7194	386	7615	421	7910	295
			0				
EHT I 66 KV Industrial	13	13	0	13	0	13	0
EHT II 110 KV Industrial	20	20	0	18	-2	18	0
EHT III 220 KV Industrial	1	1	0	1	0	1	0
EHT General A	2	1	-1	1	0	1	0
EHT General B	3	1	-2	1	0	1	0
EHT General C		4	4	4	0	4	0
EHT Commercial			0	2	2	1	-1
EHT Railway Traction	13	13	0	13	0	14	1
KMRL	3	3	0	3	0	3	0
Bulk consumers/ licensees	11	11	0	11	0	11	0
EHT & bulk	66	67	1	67	0	67	0
Total	13422395	13648678	226283	13864145	215467	14071590	207445

Annexure-4.4

Comparison of connected load

Category	2021-22	2022-23			2023-24			2024-25		
	(MW)/ MVA	(MW)/ MVA	Increase over previous Year	(%) of increase	(MW)/ MVA	Increase over previous Year	(%) of increase	(MW)/ MVA	Increase over previous Year	(%) of increase
LT Categories										
LT I Domestic	19849	20943	1093.70	5.51%	22122	1179	5.6%	23328	1206	5.5%
LT- Temp			0.00			0		0	0	
LT IV A Industrial	1859	1900	41.69	2.24%	1955	54	2.9%	2003	48	2.5%
LT IV B Industrial	13	14	1.04	8.21%	15	1	9.7%	16	1	5.3%
LT V A Agriculture	910	916	6.35	0.70%	930	14	1.6%	942	12	1.3%
LT V B Agriculture	94	102	7.58	8.03%	108	6	5.7%	112	5	4.3%
LT VI A General	367	389	22.49	6.13%	423	34	8.7%	456	33	7.9%
LT VI B General	174	166	-7.98	-4.59%	172	7	3.9%	178	6	3.5%
LT VI C General	302	312	9.61	3.18%	329	17	5.3%	344	16	4.8%
LT VI D General	43	46	2.76	6.38%	48	2	5.0%	52	4	7.3%
LT VI E General	9	10	0.81	8.64%	11	1	7.9%	12	1	10.7%
LT VI F General	1098	1183	85.16	7.76%	1277	94	8.0%	1348	71	5.6%
LT VI G General	131	143	11.28	8.59%	157	14	10.1%	171	14	8.8%
LT VII A Commercial	2557	2735	177.33	6.93%	2942	207	7.6%	3119	178	6.0%
LT VII B Commercial	165	166	0.98	0.59%	167	0	0.2%	165	-1	-0.7%
LT VII C Commercial	25	30	4.84	19.37%	47	17	57.3%	85	38	80.6%
LT VIII A Public lighting	88	120	32.22	36.69%	116	-4	-3.3%	112	-5	-3.9%
LT VIII B Public lighting	81	89	8.26	10.24%	97	8	9.5%	107	9	9.4%
LT IX Advertisement	3	3	-0.08	-2.77%	3	0	11.0%	4	1	23.4%
LT X EV	5	17	11.51	217.58%	24	7	43.2%	33	9	36.9%
Total	27773	29283	1509.55	5.44%	30943	1660	5.7%	32587.8	1645	5.3%
HT Industrial										
HT I A Industrial	952.5	1006.7	54.2	5.7%	1041.0	34.3	3.4%	1047.2	6.3	0.6%
HT I B Industrial	7.2	7.8	0.7	9.1%	7.7	-0.1	-1.2%	8.24	0.5	6.6%
								3.6		
HT II A General	101.9	108.3	6.5	6.3%	120.9	12.6	11.6%	127.14	6.2	5.1%
HT II B General	216.2	223.6	7.4	3.4%	248.0	24.5	10.9%	262.35	14.4	5.8%
HT III A Agriculture	12.7	12.9	0.3	2.0%	13.6	0.7	5.2%	12.93	-0.7	-5.0%
HT III B Agriculture	1.4	1.5	0.1	3.5%	1.5	0.1	3.4%	1.62	0.1	5.9%
HT IV A Commercial	177.3	181.3	4.0	2.3%	189.0	7.7	4.2%	191.11	2.1	1.1%
HT IV B Commercial	213.6	226.0	12.4	5.8%	254.9	28.9	12.8%	284.91	30.0	11.8%
HT V Domestic	12.2	12.5	0.3	2.8%	13.2	0.7	5.6%	14.27	1.0	7.9%
HT VI EV		1.3	1.3		2.1	0.8	61.1%	3.35	1.3	61.8%
HT VII Temporary		0.0			1.6	1.6		1.12	-0.5	
HT Total	1695.0	1782.0	87.0	5.1%	1894	111.6	6.3%	1958	64.3	3.4%
EHT I 66 KV Ind	80.6	77	-3.5	-4.3%	79	2		79.55	1	1.0%
EHT II 110 KV Ind	172.1	169	-3.4	-1.9%	190	21		189.7	0	-0.2%
EHT III 220 KV Ind	40.0	50	10.0	25.0%	50	0		50	0	0.0%
EHT General A	3.0	1	-2.0	-66.7%	1	0		1	0	0.0%
EHT General B	24.0	12	-12.0	-50.0%	20	8		20	0	0.0%
EHT General C		14	14.2		16	1		17.8	2	14.1%
EHT Commercial			0.0		3	3		0.85	-3	-75.4%
EHT Railway Traction	109.0	111	2.0	1.8%	120	9		127.5	8	6.3%
KMRL	6.1	6	0.0	0.0%	6	0		6.1	0	0.0%
Small licensees	109.2	114	5.0	4.6%	121	7		159.84	38	31.6%
Subtotl Total	543.9	554.3	10.4	-0.9	606.5	52.2	0.0	652.3	45.9	-23%
Grand Total	30012.21	31619.11	1606.90	5.4%	33443.27	1824.17	5.8%	35198.02	1754.75	5.2%

Annexure 4.5

KSEBL claim- T&D loss for the Year 2024-25

Sl No	Particulars	2024-25
i	Energy generation by KSEBL excl auxiliary consumption	7302.31
	Energy injection to grid by KSEBL from generation excl auxiliary consumption *	7300.05
ii	Power Purchase at Kerala periphery	25337.31
iii	Power Purchase /energy injected by captive consumers/solar prosumers at Kerala periphery	948.99
iv	Sub Total (MU) (A+B)	33586.35
v	Energy injected to the grid by private IPPs for sale outside the State through OA	77.16
vi	Energy wheeled by embedded open access consumers from outside the State at KSEB end	453.64
vii	Total energy input at Kerala periphery	34117.15
viii	Energy sales by KSEBL outside the State	395.70
ix	Energy transfer outside the State by KSEBL through banking arrangement	1216.52
x	Energy export through Deviation Settlement Mechanism	104.70
xi	Energy sale by private IPPs for sale outside the State through open access	72.72
xii	Total energy sale/transfer through banking/DSM Export outside the State	1789.64
xiii	**Net Energy Input at Kerala periphery (MU)(vi-x)**	**32327.50**
xiv	Substation auxiliary consumption (MU)	21.36
A.xv	**Net Energy Input excluding auxiliary consumption (MU) (xi-xii)**	**32306.15**
B	**Energy sales/usage**	
i	Energy sales by KSEBL	28148.34
ii	Energy consumed by embedded open access consumers at consumer end by wheeling from outside the State	432.12
iii	Energy supplied by KSEBL for meeting the banked energy injected by captive prosumers/solar prosumers including solar prosumers under saura scheme by KSEBL	725.23
iv	Energy availed by RGCCPP to meet the auxiliary consumption	6.07
B.v	Energy at consumer end availed from grid (MU)	29311.76
C	**T&D loss (MU) (A.xiii-B.v)**	2994.39
D	**T& D loss for 2024-25 in %(C*100/A.xv)**	**9.27**
E	**T& D loss target approved for 2024-26 in %**	**10.42**
F	**Achievement in loss reduction in excess of target approved (E-D in %)**	**1.15**
	***For solar the usage after generation is injected into grid**	

Annexure 4.6

T&D Loss approved for the Year 2024-25

Sl No	Particulars	In MU
A	**Energy Input (KSEBL generation and purchase)**	
(i)	Energy generation by KSEBL excl auxiliary consumption	7302.31
(ii)	Power Purchase at Kerala periphery including the energy settled at APPC	25554.74
(iii)	Sub Total (MU) (i)+(ii)	32857.05
B	Energy input through captive consumers, prosumers, open access consumers for own use	
(i)	Energy injected into the grid by prosumers & captive consumers excluding the energy settled at APPC	753.44
(ii)	Energy injected to the grid by private IPPs for sale outside the State through OA	73.97
(iii)	Energy wheeled by embedded open access consumers from outside the State at KSEB end	453.64
(iv)	Subtotal	1281.05
C	Energy sale/transaction to outside the State	
(i)	Energy sales by KSEBL outside the State	395.70
(ii)	SWAP return during the Year	1216.52
(iii)	Energy sale by private IPPs for sale outside the State through open access	72.72
(iv)	Energy export through Deviation settlement	104.70
	Sub total	1789.64
D	**Net Energy Input at Kerala periphery (MU) for KSEBL own use = (A)+(B)-(C)**	**32348.46**
E	Substation auxiliary consumption (MU)	21.36
F	**Net Energy Input excluding auxiliary consumption (MU)= (D)-(E)**	**32327.10**
G	**Energy sales/usage**	
(i)	Energy sales by KSEBL	28148.37
(ii)	Energy consumed by embedded open access consumers at consumer end by wheeling from outside the State	432.12
(iii)	Energy supplied by KSEBL for meeting the banked energy injected by captive prosumers/solar prosumers including solar prosumers under saura scheme by KSEBL	725.22
(iv)	Energy availed by RGCCPP to meet the auxiliary consumption	6.07
	Sub total (MU)	29311.78
H	**T&D loss (MU)= (F)-(G)**	3015.32
I	**T& D loss approved for 2024-25**	**9.33%**

Annexure 5.1

Summary of the KSEBL distribution network as on 31.03.2024

Sl No	Particulars	Statistics
1	Area Sq.km.	38863 km^2
2	Districts No's	14
3	Electrical Circle Offices	25
4	Population in Cr	3.59
5	Consumers (Nos)	14071621
6	Distribution transformers (Nos)	92545
7	HT lines (Ckt. Kms)	70955.88
8	LT lines (Kms)	307674
9	Energy sales by KSEBL including external sales MU	28550.12
10	Energy supplied by KSEBL including external sales MU	29275.34
11	Energy consumption inside the State (incl open access & captive consumption) in MU	29311.76
12	T&D loss in % (including transmission loss)	9.70%
13	Distribution loss in %	7.28%
13	AT&C loss in % as per CEA methodology	7.55%

Annexure 5.2

Month wise details of surrender of power purchase during the Year 2024-25

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
	CGS- Energy in MU												
RTSPS I&II	4.42	25.49	11.67	13.64	14.64	9.96	33.82	26.82	12.72	11.39	16.53	20.13	201.25
KUDGI	4.53	17.73	18.58	7.56	9.84	6.84	23.24	15.75	6.77	7.72	9.40	14.55	142.50
NTPL	0.54	5.74	5.53	4.66	7.59	4.15	13.52	10.55	2.98	1.85	3.71	1.85	62.68
Simhadri	2.21	9.00	1.35	1.53	1.54	1.78	2.03	2.36	1.45	2.31	3.83	2.74	32.12
RSTPS-II	0.65	3.84	1.02	3.61	4.46	2.66	7.24	1.98	1.41	1.59	1.94	0.99	31.37
VALLUR	0.74	4.37	3.63	2.64	2.63	1.66	2.65	1.22	0.13	0.31	1.43	0.89	22.28
TelanganaSTPP	0.96	12.40	0.00	0.05	0.05	0.03	0.03	0.03	0.03	0.04	0.04	0.01	13.67
Talcher	1.10	3.97	0.00	2.06	1.11	0.00	0.00	0.31	0.17	0.00	0.00	0.00	8.72
NLC Exp	0.23	1.85	0.11	0.82	0.35	0.25	0.32	0.28	0.10	0.50	1.28	0.21	6.31
NNTPP	0.12	0.83	0.00	0.21	0.11	0.05	0.01	0.12	0.01	0.00	0.06	0.01	1.55
NLC-II Stage-2	0.14	0.45	0.02	0.03	0.24	0.12	0.04	0.04	0.01	0.00	0.12	0.00	1.22
NLC-2 Exp	0.07	0.43	0.00	0.01	0.04	0.13	0.08	0.05	0.04	0.00	0.07	0.00	0.91
NLC-II Stage-1	0.08	0.24	0.01	0.10	0.11	0.14	0.04	0.01	0.00	0.00	0.07	0.00	0.80
Total	15.79	86.33	41.92	36.92	42.70	27.77	83.02	59.52	25.83	25.71	38.49	41.39	525.39
	IPPS- Energy in MU												
DVC-MEJIA	0.82	6.33	0.69	5.71	5.16	3.97	3.36	3.14	2.22	1.19	4.59	2.81	40.00
Maithon-1	0.49	3.78	0.17	3.18	1.73	0.75	0.57	0.99	0.16	0.43	1.55	0.71	14.52
Maithon-2	0.49	3.78	0.17	3.18	1.73	0.75	0.57	0.99	0.16	0.43	1.51	0.71	14.48
DVC-RTPS	0.11	1.60	0.17	1.77	2.80	1.458	1.66	1.09	0.79	0.15	0.71	0.64	12.94
JINDAL	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.13	0	0.03	0.00	0.17
BALCO	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.11	0	0.10	0.00	0.22
Total	1.91	15.50	1.19	13.84	11.42	6.93	6.17	6.21	3.57	2.19	8.50	4.88	82.32
	DEEP - Energy in MU												
DEEP total surrender		46.84					17.80	23.76	30.60	22.08	12.00	17.20	170.28
	Total Surrender 2024-25 in MU												
Total surrrender	17.70	148.67	43.11	50.76	54.13	34.70	106.99	89.49	60.00	49.98	58.99	63.47	777.99

Annexure 5.3						
Reasons for the surrender of power during the Year 2024-25						
Month	CGS (MU)	LTA (MU)	Total (MU)	Reason	Deemed surrender - Talcher Stg2 (MU)	Remarks
Apr-24	15.79	1.91	17.70	Surrender done in day time to address the low demand on solar hours	1.51	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
May-24	86.33	15.49	101.82	Surrender done to address low demand during solar hours and due to summer rains.	18.08	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Jun-24	41.92	1.19	43.11	Surrender done to address low demand.	58.04	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Jul-24	36.92	13.85	50.77	Surrender done to address low demand during solar hours and due to rain in non solar off peak hours.	0.24	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Aug-24	42.70	11.42	54.12	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during night off peak hours due to low demand	0.00	
Sep-24	27.77	6.93	34.70	Surrender done predominantly during day hours to address low demand due to solar penetration on sundays and holidays .Also in some days surrender of high cost power in the merit order done to avail low cost power from the market.	11.52	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Oct-24	83.02	6.10	89.12	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	0.87	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Nov-24	59.52	6.20	65.72	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	0.00	
Dec-24	25.83	3.57	29.40	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	0.39	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Jan-25	25.71	2.19	27.90	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	0.00	
Feb-25	38.49	8.50	46.99	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	0.00	
Mar-25	41.39	4.87	46.26	Surrender done predominantly during day hours when there is a sudden dip in demand due to solar penetration. Also in some days during the during night off peak hours due to low demand	1.36	Generation reduced due heavy loading of 400kV Talcher-Meeramundali DC
Total	525.40	82.22	607.62		92.00	

Annexure-5.4

Details of reduction in energy availability from NLC stations and MAPs

CGS	MYT Order dated 25.06.2022	Actual	Surrender	Total	Increase/decrease in availability after accounting surrender	Remarks
	(MU)	(MU)	(MU)	(MU)	(MU)	
NLC Stage-I	422.33	255.1	0.8	255.91	-166.42	Non availability of lignite, annual maintenance, overalling of machines and forced shut downs
NLC Stage-II	603.17	382.85	1.22	384.07	-219.1	
NLC 1 Expansion	464.13	413.81	6.31	420.12	-44.01	Annual Overhauling of machins, forced shutdowns
NLC II Expansion	511.51	132.62	0.91	133.53	-377.98	Forced shutdown, annual overalling
MAPS	122.72	68.58		68.58	-54.14	Unit1 continuing under maintenance
NNTPP	226.17	224.46	1.55	226.01	-0.16	Planned ouatge of Unit#1 for Boiler, annual overaling
Total	**2350.03**	**1477.42**	**10.79**	**1488.22**	**-861.81**	

Annexure- 5.5

Station wise details of the supplementary claims during the Year 2024-25

Sl No	Station	RLDC	Incentive	Others	Fuel adjustment charges	Total
		(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
1	RSTPS Stage I & II	0.210	0.883	4.218		5.312
2	RSTPS Sage III	0.052	0.190	0.867		1.109
3	Talcher	0.358	-0.510	-4.419		-4.570
4	Simhadri	0.069	0.556	2.036		2.662
5	Kudgi	0.094	0.593	2.811		3.497
6	NNTPP	0.027	0.077	-1.045		-0.941
7	NLC- II Stage I	0.054	0.113	6.982		7.149
8	NLC- II Stage II	0.077	0.139	6.390		6.606
9	NLC TPS-I Expansion	0.051	0.113	-0.291		-0.128
10	NLC TPS-II Expansion	0.060	0.236	-0.894		-0.598
11	MAPS	0.015		0.644		0.659
12	KAIGA	0.063		0.089	-10.127	-9.975
13	KUDANKULAM	0.237		30.053	135.936	166.226
14	NTECL	0.045	0.216	0.039		0.300
15	NTPL	0.051	0.273	-0.066		0.258
16	TELANGANA	0.020	0.232	0.015		0.268
17	**BARH**	0.081	0.656	-0.114		0.623
	Sub Total	1.566	3.767	47.314	125.809	178.456

Annexure 5.6

Approval of the Short term Power Purchase granted during the Year 2024-25

Sl No	Period	Total Quantum MW)	Bidder	Generator/ Trader	Quantum MW)	Rate (Rs/ kWh)
KSERC Order dated 31.07.2023						
1	Apr-24	**250**	L1	GMRETL	25	6.10
			L2	NVVN	100	6.10
			L3	NVVN	50	6.10
			L4	Ambitious P trading Comp	75	6.24
2	May-24	250	L1	GMRETL	25	6.10
			L2	NVVN	100	6.10
			L3	NVVN	50	6.10
			L4	Ambitious P trading Comp	75	6.24
KSERC Order dated 19.01.2024						
1	Apr-24	250 MW RTC	L1	Adani Enterprises Ltd	150 MW	8.69
			L1	PTC India Limited-	25 MW	8.69
				Tata Power	25 MW	8.69
2	May-24	250 MW RTC		Adani Enterprises Ltd	150 MW	8.69
				Tata Power	25 MW	8.69
KSERC Order dated 20.03.2024						
1	Apr-24	60 MW RTC		SJVN	60 MW	7.00
2	May-24	60 MW RTC		SJVN	60 MW	7.00
3	Jun-24	60 MW RTC		SJVN	60 MW	7.00
KSERC Order dated 25.09.2024						
1	22.7.24 to 31.7.24	50MW, 18:20hrs to 22:30 hrs		Ambitious P trading Comp	50 MW	9.51
2	Oct-24	RTC (325 MW)		NVVN	150 MW	6.09
				Tata Power	25 MW	6.10
				MANIKARAN Power Ltd	25 MW	6.10
				MANIKARAN Power Ltd	25 MW	6.10
				TPTCL/MCCPL	25 MW	6.10
				MB Power (MP) Limited	75 MW	6.10
3	Nov-24	RTC (325 MW)		TATA power	25 MW	5.48
				Manikaran Power Ltd	25 MW	5.48
				Arunachal PCPL	25 MW	5.48
				TATA Power	50MW	5.54
				Adani Enterprises Ltd	50MW	5.61
				TPTCL-/SEIL	50MW	5.66
				NVVN-JPBINA	50MW	5.69
				NVVN-JNSTPP	125 MW	5.69
4	Dec-24	RTC (400 MW)		Arunachal PCPL	25 MW	5.45
				TATA Power	25 MW	5.45
				Manikaran Power Ltd	25 MW	5.48
				NVVN	75 MW	5.50
				Adani Enterprises Ltd	50 MW	5.61
				NVVN	50 MW	5.67
				NVVN	150 MW	5.69
5	Jan-25	RTC (400 MW)		Manikaran Power Ltd	25 MW	5.69
				MB Power Limited	50 MW	5.69
				NVVN	50 MW	5.69
				NVVN	150 MW	5.69
				TATA power	50 MW	5.70
				NVVN	75 MW	5.72
6	Feb-25	RTC (200 MW)		TATA Power	25 MW	5.88
				NVVN	150 MW	5.87
				MB Power Limited	25 MW	5.88
KSERC Order dated 24.10.2024						
1	Mar-25	300 MW RTC		NVVN-Jaypee BINA	100 MW RTC	6.00
				NVVN-JNSTPP	100 MW RTC	6.00
				Tata Power Haldia	25MW RTC	6.00
				NVVN LIMITED	75 MW RTC	6.00

Annexure- 5.7

Month wise details of short-term power purchase for the Year 2024-25

Sl No	Month	Trader	Quantum	Duration of	Rate	Energy scheduled (MU)		Cost	KSERC Order details
						at Ex bus	at Kerala periphery		
			(MW)	(Hrs)	(Rs/ kWh)	(MU)	(MU)	(Rs.Cr)	
1	Apr-24	GMRETL	25	RTC	6.10	Not supplied.		-1.867	KSERC Order dated 31.07.2023
		NVVN	100	RTC	6.10	68.07	65.64	61.99	
		NVVN	50	RTC	6.10	37.32	36.00	33.36	
		Ambitious etc	75	RTC	6.24	55.42	53.46	93.61	
		Adani Ltd	150	RTC	8.69	107.72	101.81	14.58	KSERC Order dated
		PTC Ltd	25	RTC	8.69	16.77	16.18	16.30	
		Tata Power	25	RTC	8.69	17.62	16.41	7.88	
		SJVN	60	RTC	7.00	11.26	10.87	225.85	Order dt. 20.03,24
		Total	510			314.18	300.37		
2	May-24	GMRETL	25	RTC	6.12	16.40	15.85	9.70	KSERC Order dated 31.07.2023
		NVVN	100	RTC	6.10	67.82	65.56	57.41	
		NVVN	50	RTC	6.10	29.23	28.25		
		Ambitious etc	75	RTC	6.24	49.08	47.44	29.60	
		Adani Ltd	150	RTC	8.69	94.71	91.63	88.47	Order dt 19.01'24
		Tata Power	25	RTC	8.69	15.45	14.94	14.55	
		SJVN	60	RTC	7.00	28.78	27.81	20.14	Order dt. 20.03,24
		Total	485			301.47	291.48	219.87	
3	Jun-24	SJVN	60	RTC	7.00	14.22	13.73	9.95	Order dt. 20.03,24
4	Jul-24 (22.07 to 31.07)	Ambitious etc	50	18:20 to 22:30 hrs	9.51	2.00	1.93	1.90	Order dt. 25.09.2024
5	Oct-24	NVVN	150	RTC	6.09	102.26	99.01	62.27	Order dt. 25.09.2024
		Tata Power	25	RTC	6.1	15.28	14.80	9.32	
		Manikaran Ltd	25	RTC	6.1	16.28	15.76	9.94	
		Manikaran Ltd	25	RTC	6.1	16.32	15.80	9.95	
		TPTCL/MCCPL	25	RTC	6.1	14.28	13.83	8.71	
		MB Power	75	RTC	6.1	51.60	49.96	31.48	
		Total	325			216.01	209.16	131.67	
6	Nov-24	TATA power	25	RTC	5.48	16.20	15.58	8.88	Order dt. 25.09.2024
		Manikaran Ltd	25	RTC	5.48	16.32	15.70	8.94	
		APCPL	25	RTC	5.48	16.32	15.70	8.94	
		TATA Power	50	RTC	5.54	32.88	31.62	18.22	
		Adani Ltd	50	RTC	5.61	32.88	31.62	18.45	
		TPTCL-/SEIL	50	RTC	5.66	32.80	31.55	18.57	
		NVVN-JPBINA	50	RTC	5.69	33.48	32.20	19.05	
		NVVN-JNSTPP	125	RTC	5.69	83.16	79.98	47.32	
		Total	400			264.04	253.93	148.37	
7	Dec-24	APCPL	25	RTC	5.45	16.56	15.92	9.03	Order dt. 25.09.2024
		TATA Power	25	RTC	5.45	14.66	14.09	7.99	
		Manikaran Ltd	25	RTC	5.48	16.56	15.92	9.11	
		NVVN	75	RTC	5.50	48.72	46.83	26.8	
		Adani Ltd	50	RTC	5.61	33.70	32.39	18.91	
		NVVN	50	RTC	5.67	33.72	32.41	19.12	
		NVVN	150	RTC	5.69	100.80	96.89	57.36	
		Total	400			264.73	254.43	148.32	
8	Jan-25	Manikaran Power Ltd	25	RTC	5.69	17.16	16.46	9.80	Order dt. 25.09.2024
		MB Power Limited	50	RTC	5.69	34.32	32.92	19.53	
		NVVN	50	RTC	5.69	31.29	30.01	17.80	
		NVVN	150	RTC	5.69	104.40	100.14	59.40	
		TATA power	50	RTC	5.70	34.30	32.90	19.55	
		NVVN	75	RTC	5.72	51.00	48.92	29.17	
		Total	400	RTC		272.47	261.34	155.25	
9	Feb-25	TATA Power	25	RTC	5.88	15.00	14.41	9.03	Order dt. 25.09.2024
		NVVN	150	RTC	5.87	90.81	87.28	53.30	
		MB Power Limited	25	RTC	5.88	15.12	14.53	8.89	
		Total	200			120.92	116.22	71.22	
10	Mar-25	NVVN-Jaypee	100	RTC	6.00	42.33	40.69	25.40	Order dt. 25.09.2024
		NVVN-JNSTPP	100	RTC	6.00	90.78	87.21	54.46	
		TATA power	25	RTC	6.00	17.40	16.72	10.44	
		NVVN	75	RTC	6.00	48.03	46.14	28.82	
		Total	300			198.54	190.76	119.12	
	Grand Total					1968.57	1893.35	1231.52	

Annexure 5.8

KSEBL submission- Circumstances on which power purchase from Exchange is resorted

Month	Remarks
Apr-24	With the absence of summer rain, the power consumption in the State continued to grow at above 10% growth level compared to last year. With heat wave conditions reported during the later half of the month, the year on year growth in peak demand and consumption shot up to more than 115% of last year levels. The inflow obtained for April'24 was 65.27MU against the anticipated figure of 120.91 MU(54 %). The cumulative impact of deficient monsoon is around 2400 million units as on 30th April. The shortage due to non-availability of 465 MW of DBFOO power is in addition to the above. Since there was deficit in the LGB for this month , Monthly Purchase made to balance the peak deficit and to ensure 24X7 supply of power to the people considering the rise in tempearture due to the unprecedented heat wave anticipated in line with the MoP direction.
May-24	The peak demand recorded was 5797 MW (on 02.05.2024) (with Capacitor restriction in south and central region) against an expected demand of around 5281 MW. Purchases were made based on the monthly forecasted demand of 5500MW arrived according to weather forecasting on May 1st and 4th. The shortage due to non-availability of 465 MW of DBFOO also contributed to shortage. Then with the widespread summer rain reported throughout the State, the demand/consumption has drastically come down.
Jun-24	Though the southwest monsoon had set in over the State two days ahead of schedule on 29th May, the skewed spatial distribution of the monsoon has resulted in deficient rainfall by up to 25% during June. The peak demand recorded was 4400 MW (on 05.06.2024) as expected. With the commencement of swap return (up to 300MW during peak hours) from 11th June, severe shortage in availability was experienced during non-rainy days, which was sought from power exchange. The shortage due to non-availability of 465 MW of DBFOO power is in addition to the above.
Jul-24	As per original LGB, for a demand of 4100MW, coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power,the anticipated deficit was around 780MW. The peak demand recorded was 4183 MW (on 04.07.2024).The peak demand was on a higher side during the first half of July, which was managed from power exchange
Aug-24	The peak demand recorded was 4262 MW (on 23.08.2024). As per original LGB, for a demand of 4100MW, coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power, the anticipated deficit was around 780MW. . This deficit was being managed by way of purchase from the Exchange market. With the monsoon entering a lull phase since the beginning of second week of August, the demand was on a rising trend and the un-restricted demand was in the range of 4250MW to 4300MW. The availability of power in the power exchange market has drastically come down from 12th August onwards. At the same time, the purchase bid volume in the market has increased exponentially. Thus, negligible quantum was getting cleared in both DAM and RTM markets during the week starting 12th August. There was strict direction from RLDC to stick to the schedule during peak hours.
Sep-24	During Sep, the average daily energy consumption was 82.59MU against the plan of 81.2 MU. The peak demand recorded was 4353 MW (on 25.09.2024). Coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power There existed a shortage of 900-1200MW during peak hours during the month. In addition there was forced outage of CGS/internal hydro on a few days. This was largely managed by purchase from PX market.. The availability was subsequently managed by way of TAM purchase.
Oct-24	The North East monsoon hit the State around middle of October. Though the State as a whole received normal rainfall, inflow obtained for Oct'24 was 604 MU against the anticipated figure of 809 MU (75 %). The peak demand recorded was 4455 MW (on 03.10.2024). Coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power,there existed a shortage of 400-600MW during peak hours during the first week of the month due to forced outage of CGS NLC Stations/internal hydro on a few days. This was largely managed by purchase from PX market.
Nov-24	Rainfall drastically reduced during November, marking almost the end of monsoon. Inflow obtained for Nov'24 was 369.66 MU against the anticipated figure of 543.5 MU (68.01%). The actual generation was less than planned level due to deficiency in rainfall during November. Coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power, there existed a shortage of 200-400MW during the month which was largely managed by purchase from PX market.
Dec-24	The peak demand recorded was 4478 MW (on 30-12-2024) . Total shutdown of stations coming under Muthirapuzha basin was availed from 29/12/24 for trash rack replacement work at Kallarkutty reservoir. There was a shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power. With the firm tie up available, shortage of 200-400MW was experienced during peak hours, which was largely managed by purchase from PX market.
Jan-25	The peak demand recorded was 4522 MW (on 31-01-2025) . Coupled with the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power ,.and with firm tie ups there was a shortage of 251.2 MW which was managed from purchase through power exchange.
Feb-25	The peak demand recorded was 5015 MW (on 28-02-2025) and was on expected line. With the firm tie up available, shortage of 200-400MW was experienced during peak hours, in the eve of shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power ,which was largely managed by purchase from PX market. Availability from CGS Stations was also on the lower side.
Mar-25	Summer rain was reported from various parts of the State from the second week onwards. As a result, the peak demand, which was showing a growth of 4% to 6% compared to last year, and consequent to the shortage due to non-availability of power in lieu of 465 MW of DBFOO unapproved power, there was a shortage which was managed from market

Annexure 5.9

Banking arrangements with KSEBL during the Year 2024-25

1. KSEBL with Punjab State Power Corporation Ltd (KSERC Order dated 24.02.2025)

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
24th to 28th May 2024	03.00 Hrs to 18.00 Hrs	150	1st to 30th April 2025	0.00Hrs to 02.00Hrs	365 MW
24th to 28th May 2024	RTC	300			
29th to 31th May 2024	03.00 Hrs to 18.00 Hrs	250			
29th to 31th May 2024	RTC	600			
01st June 2024	00Hrs to 5.00 Hrs	600			
	05.00 Hrs to 07.30 Hrs	650		02.00 Hrs to 20.00Hrs	100MW
	07.30 Hrs to 08.30 Hrs	700			
	08.30Hrs to 14.00 Hrs	700			
	14.00 Hrs to 16.00 Hrs	500			
	16.00 Hrs to 17.00Hrs	400		20.00Hrs to 24.00Hrs	364.34 MW
	17.00 Hrs to 18.30Hrs	300			
	18.30 Hrs to 22.00Hrs	100			
	22.00 Hrs to 22.30Hrs	200			
	22.30 Hrs to 23.15Hrs	400			
	23.15 Hrs to 24.00Hrs	600			

2. KSEBL with PSPCL through trader M/s APPCPL (KSERC Order dated 28.01.2025

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st to 31st July 2024	22:00 to 24:00 Hrs. & 00:00 to 06:00 Hrs	200	1st to 15th Apr 2025	RTC	105.90%

3. KSEBL with PSPCL through trader M/s Manikaran Power Ltd (KSERC Order dated 28.01.2025)

Supply from KSEBL - MPL- PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
01.08.24 to 31.08.'24	RTC	200	16th to 31st March 2025	RTC	20%
01.09.24 to 30.09.'24	RTC	200	1st to 30th April 2025	RTC	40%
			1st to 31st May 2025	RTC	40%

4. KSEBL with Punjab State Power Corporation Ltd (PSPCL)-KSERC order dated 24.02.2025

Supply from KSEBL - PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
23-08-24 to 10-10-24	As & When available basis	100	01-11-24 to 31-03-25	RTC	105

5. KSEBL With Chatthisgarh through the trader M/s Manikaran Power Ltd -KSERC approval order dated 09-09-2025

Supply from KSEBL - MPL- Chattisgarh			**Return from Chattisgarh to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
28th August 2024 to 30th September 2024	00.00Hrs to 08.00Hrs	Upto 200	1st December 2024 to 31st January 2025	18.00hrs to 24.00Hrs & 00.00hrs to 02.00Hrs	Return 102% of supplied quantum

6. KSEBL with MP Power Management company (MPPMCL) (KSERC Order dated 24.02.2025)

Supply to KSEBL by MPPCL	**Return from KSEBL to MPPMCL**

Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
09-07-24 to 31-07-24	0-19 Hrs	Upto 100	01-11-24 to 30-11-24	00-24 Hrs	105
	19-24 Hrs	Upto 200			

7. Banking between KSEBL and BYPL (29/11/2024)-KSERC order dated 09-09-2025

Supply to KSEBL by from BYPL			**Return from KSEBL to BYPL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st December 2024 to 31st December 2024	RTC	150	1/7/2025 to 30/9/2025	RTC	Return 100%

8. Banking between KSEBL and UPPCL through GNA OTC (10/12/2024)-order dated 09-09-2025

Supply to KSEBL by UPPCL			Return by KSEBL to UPPCL		
1st March 2025 to 31st March 2025	19-24 hrs & 00-05 hrs	400	16/6/2025 to 30/9/2025	19-24 hrs & 00-05 hrs	Return 100%

9) Banking Arrangement for the months Feb – May 2025 – Tender invited on 30.11.2024-KSERC order dated 09-09-2025

M/s Manikaran Power Limited								
Supply to KSEBL by CSDCL			Return by KSEBL to CSDCL –Return Percentage -102%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Aug'25**	183.8	96.8	48.4	48.4	183.8
M/s Arunachal Pradesh Power Corporation Limited								
Supply to KSEBL by CSDCL			**Return by KSEBL to CSDCL –Return Percentage -102%**					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Sep'25**	190	100	50	50	190
Supply to KSEBL by BYPL			**Return by KSEBL to BYPL-Return Percentage -100%**					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	75	**Sep'25**	200	30	33.2	50	200
	18:30-24:00	50						
Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Mar'25	00:00-02:00	200	**16th to 30th June'25**	20	20	20	20	20
	18:30-24:00	50	**July '25**	20	17.2	17.2	20	20
Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Apr'25	00:00-02:00	52.5	**16th to 30th June'25**	20	0	0	20	20

Annexure 5.9

Banking arrangements with KSEBL during the Year 2024-25

1. KSEBL with Punjab State Power Corporation Ltd (KSERC Order dated 24.02.2025)

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
24th to 28th May 2024	03.00 Hrs to 18.00 Hrs	150	1st to 30th April 2025	0.00Hrs to 02.00Hrs	365 MW
24th to 28th May 2024	RTC	300			
29th to 31th May 2024	03.00 Hrs to 18.00 Hrs	250			
29th to 31th May 2024	RTC	600			
01st June 2024	00Hrs to 5.00 Hrs	600			
	05.00 Hrs to 07.30 Hrs	650		02.00 Hrs to 20.00Hrs	100MW
	07.30 Hrs to 08.30 Hrs	700			
	08.30Hrs to 14.00 Hrs	700			
	14.00 Hrs to 16.00 Hrs	500			
	16.00 Hrs to 17.00Hrs	400		20.00Hrs to 24.00Hrs	364.34 MW
	17.00 Hrs to 18.30Hrs	300			
	18.30 Hrs to 22.00Hrs	100			
	22.00 Hrs to 22.30Hrs	200			
	22.30 Hrs to 23.15Hrs	400			
	23.15 Hrs to 24.00Hrs	600			

2. KSEBL with PSPCL through trader M/s APPCPL (KSERC Order dated 28.01.2025

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st to 31st July 2024	22:00 to 24:00 Hrs. & 00:00 to 06:00 Hrs	200	1st to 15th Apr 2025	RTC	105.90%

3. KSEBL with PSPCL through trader M/s Manikaran Power Ltd (KSERC Order dated 28.01.2025)

Supply from KSEBL - MPL- PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
01.08.24 to 31.08.'24	RTC	200	16th to 31st March 2025	RTC	20%
01.09.24 to 30.09.'24	RTC	200	1st to 30th April 2025	RTC	40%
			1st to 31st May 2025	RTC	40%

4. KSEBL with Punjab State Power Corporation Ltd (PSPCL)-KSERC order dated 24.02.2025

Supply from KSEBL - PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
23-08-24 to 10-10-24	As & When available basis	100	01-11-24 to 31-03-25	RTC	105

5. KSEBL With Chatthisgarh through the trader M/s Manikaran Power Ltd -KSERC approval order dated 09-09-2025

Supply from KSEBL - MPL- Chattisgarh			**Return from Chattisgarh to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
28th August 2024 to 30th September 2024	00.00Hrs to 08.00Hrs	Upto 200	1st December 2024 to 31st January 2025	18.00hrs to 24.00Hrs & 00.00hrs to 02.00Hrs	Return 102% of supplied quantum

6. KSEBL with MP Power Management company (MPPMCL) (KSERC Order dated 24.02.2025)

Supply to KSEBL by MPPCL			**Return from KSEBL to MPPMCL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
09-07-24 to 31-07-24	0-19 Hrs	Upto 100	01-11-24 to 30-11-24	00-24 Hrs	105
	19-24 Hrs	Upto 200			

7. Banking between KSEBL and BYPL (29/11/2024)-KSERC order dated 09-09-2025

Supply to KSEBL by from BYPL			**Return from KSEBL to BYPL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st December 2024 to 31st December 2024	RTC	150	1/7/2025 to 30/9/2025	RTC	Return 100%

8. Banking between KSEBL and UPPCL through GNA OTC (10/12/2024)-KSERC order dated 09-09-2025

Supply to KSEBL by UPPCL			Return by KSEBL to UPPCL		
1st March 2025 to 31st March 2025	19-24 hrs & 00-05 hrs	400	16/6/2025 to 30/9/2025	19-24 hrs & 00-05 hrs	Return 100%

9) Banking Arrangement for the months Feb – May 2025 – Tender invited on 30.11.2024-KSERC approval order dated 09-09-2025

M/s Manikaran Power Limited								
Supply to KSEBL by CSDCL			Return by KSEBL to CSDCL –Return Percentage -102%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Aug'25**	183.8	96.8	48.4	48.4	183.8
M/s Arunachal Pradesh Power Corporation Limited								
Supply to KSEBL by CSDCL			**Return by KSEBL to CSDCL –Return Percentage -102%**					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Sep'25**	190	100	50	50	190
Supply to KSEBL by BYPL			**Return by KSEBL to BYPL-Return Percentage -100%**					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	75	**Sep'25**	200	30	33.2	50	200
	18:30-24:00	50						
Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Mar'25	00:00-02:00	200	**16th to 30th June'25**	20	20	20	20	20
	18:30-24:00	50	**July '25**	20	17.2	17.2	20	20
Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
				Duration				
Supply Period	Duration	Quantum	Period	00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Apr'25	00:00-02:00	52.5	**16th to 30th June'25**	20	0	0	20	20

Annexure 5.9

Banking arrangements with KSEBL during the Year 2024-25

1. KSEBL with Punjab State Power Corporation Ltd (KSERC Order dated 24.02.2025)

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
24th to 28th May 2024	03.00 Hrs to 18.00 Hrs	150	1st to 30th April 2025	0.00Hrs to 02.00Hrs	365 MW
24th to 28th May 2024	RTC	300			
29th to 31th May 2024	03.00 Hrs to 18.00 Hrs	250			
29th to 31th May 2024	RTC	600			
01st June 2024	00Hrs to 5.00 Hrs	600		02.00 Hrs to 20.00Hrs	100MW
	05.00 Hrs to 07.30 Hrs	650			
	07.30 Hrs to 08.30 Hrs	700			
	08.30Hrs to 14.00 Hrs	700			
	14.00 Hrs to 16.00 Hrs	500			
	16.00 Hrs to 17.00Hrs	400		20.00Hrs to 24.00Hrs	364.34 MW
	17.00 Hrs to 18.30Hrs	300			
	18.30 Hrs to 22.00Hrs	100			
	22.00 Hrs to 22.30Hrs	200			
	22.30 Hrs to 23.15Hrs	400			
	23.15 Hrs to 24.00Hrs	600			

2. KSEBL with PSPCL through trader M/s APPCPL (KSERC Order dated 28.01.2025

Supply from KSEBL to PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st to 31st July 2024	22:00 to 24:00 Hrs. & 00:00 to 06:00 Hrs	200	1st to 15th Apr 2025	RTC	105.90%

3. KSEBL with PSPCL through trader M/s Manikaran Power Ltd (KSERC Order dated 28.01.2025)

Supply from KSEBL - MPL- PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
01.08.24 to 31.08.'24	RTC	200	16th to 31st March 2025	RTC	20%
01.09.24 to 30.09.'24	RTC	200	1st to 30th April 2025	RTC	40%
			1st to 31st May 2025	RTC	40%

4. KSEBL with Punjab State Power Corporation Ltd (PSPCL)-KSERC order dated 24.02.2025

Supply from KSEBL - PSPCL			**Return from PSPCL to KSEBL**		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
23-08-24 to 10-10-24	As & When available basis	100	01-11-24 to 31-03-25	RTC	105

5. KSEBL With Chatthisgarh through the trader M/s Manikaran Power Ltd -KSERC approval order dated 09-09-2025

Supply from KSEBL - MPL- Chattisgarh			Return from Chattisgarh to KSEBL		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
28th August 2024 to 30th September 2024	00.00Hrs to 08.00Hrs	Upto 200	1st December 2024 to 31st January 2025	18.00hrs to 24.00Hrs & 00.00hrs to 02.00Hrs	Return 102% of supplied quantum

6. KSEBL with MP Power Management company (MPPMCL) (KSERC Order dated 24.02.2025)

Supply to KSEBL by MPPCL			Return from KSEBL to MPPMCL		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
09-07-24 to 31-07-24	0-19 Hrs	Upto 100	01-11-24 to 30-11-24	00-24 Hrs	105
	19-24 Hrs	Upto 200			

7. Banking between KSEBL and BYPL (29/11/2024)-KSERC order dated 09-09-2025

Supply to KSEBL by from BYPL			Return from KSEBL to BYPL		
Supply period	Duration (Hrs)	Quantum (MW)	Return Period	Duration (Hrs)	Return % 105
1st December 2024 to 31st December 2024	RTC	150	1/7/2025 to 30/9/2025	RTC	Return 100%

8. Banking between KSEBL and UPPCL through GNA OTC (10/12/2024)-KSERC order dated 09-09-20

Supply to KSEBL by UPPCL			Return by KSEBL to UPPCL		
1st March 2025 to 31st March 2025	19-24 hrs & 00-05 hrs	400	16/6/2025 to 30/9/2025	19-24 hrs & 00-05 hrs	Return 100%

9) Banking Arrangement for the months Feb – May 2025 – Tender invited on 30.11.2024-KSERC approval order dated 09-09-2025

M/s Manikaran Power Limited								
Supply to KSEBL by CSDCL			Return by KSEBL to CSDCL –Return Percentage -102%					
	Duration	Quantum	Period	Duration				
Supply Period				00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Aug'25**	183.8	96.8	48.4	48.4	183.8
M/s Arunachal Pradesh Power Corporation Limited								
Supply to KSEBL by CSDCL			**Return by KSEBL to CSDCL –Return Percentage -102%**					
	Duration	Quantum	Period	Duration				
Supply Period				00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	100	**Sep'25**	190	100	50	50	190
Supply to KSEBL by BYPL			**Return by KSEBL to BYPL-Return Percentage -100%**					
	Duration	Quantum	Period	Duration				
Supply Period				00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Feb-25	RTC	75	**Sep'25**	200	30	33.2	50	200
	18:30-24:00	50						
Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
	Duration	Quantum	Period	Duration				
Supply Period				00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Mar'25	00:00-02:00	200	**16th to 30th June'25**	20	20	20	20	20
	18:30-24:00	50	**July '25**	20	17.2	17.2	20	20

Supply to KSEBL by BYPL			Return by KSEBL to BYPL-Return Percentage -100%					
Supply Period	Duration	Quantum	Period	Duration				
				00:00-05:00	05:00-08:30	08:30-18:30	18:30-22:30	22:30-24:00
Apr'25	00:00-02:00	52.5	**16th to 30th June'25**	20	0	0	20	20

Annexure-6.1

Details of withdrawal of credit to revenue account during the year 2024-25 (Rs. Cr)

Sl No.	Consumer Name	Legacy Code	Credit Amount	Remarks
1	M/s BALYA CEMENT (P) LTD	1/10020	0.004	Order No.SOR/HTB/1/10020/2024-25/67/28.11.224 of SOR
2	ASOKA TEXTILES LTD ALUVA	1/123	0.104	Order No.SOR/AMU 3/LCN 1/123/2024-25/131/23.07.2024 of SOR
3	M/s THEVARMADAM GRANITES	1/9855	0.213	Order No.SOR/HTB 1/9855/APTS/20241-25/27 DATED 11.07.2024 of SOR
4	SRI BHAGAVATHY TEXTILES,CHITTUR,PALAKKAD	10/1009	0.726	Order No.SOR/AMU 8/HTB 10/1009/2024-25/Dated 11.04.2024 of SOR
5	KERALA WATER AUTHORITY,KWA,EDAPPAL, PONNANI	10/1930	0.030	Order No.SOR/GCB3/19/2021/2024-25/27.03.2025 of SOR
6	COVENENT STONES(P)LTD.	10/6844	0.142	Order No.SOR/HTB 25/77002024-25/23.10.2024 of SOR
7	KERALA CERAMICS LTD. (NEW)	11/1104	16.528	Order No. SOR/AMU 1/11/1104/2024-25/dated 18.10.2024 of SOR
8	TCM LTD, KUNDARA	11/1107	0.028	Order No.SOR/AMU 8/HTB 8/802& HTB 11/1107/2024-25/30/07.08.2024 of SOR
9	HINDUSTAN NEWS PRINT LTD	11/1141	4.583	As per Order No. SOR/HTB 11/1141/2025-26/46 dated 09.04.2025.
10	SANTHI NURSING HOME, THRISSUR	11/5878	0.001	Order No.SOR/HTB 11/5878/2024-25/30.08.2024 of SOR
11	RAY CONSTRUCTIONS	11/7728	0.013	Order No.SOR/HTB-11/7728/2024-25/14.06.2024 of SOR
12	KANDAMTH CINE ENTERPRISES (DHANYA-REMYA)	12/1207	0.002	Order No.SOR/HTB 12/1207/2024-25/Dated 14.10.2024 of SOR
13	DEN NETWORKS LTD.	12/6880	0.002	Order No.SOR/ HTB-12/6880/2024-25/7.10.2024 of SOR
14	C&K GRANITES	12/8465	0.024	Order No.SOR/HTB 12/8465/2024/34/15.06.2024
15	C&K GRANITES	12/8465	0.001	Order No.SOR/HTB 12/8465/2024/34/15.06.2024
16	AHAMMED ROLLER FLOUR MILLS (P)LTD	13/1331	0.009	Order No.SOR/Billing/HTB 13/1331/2024-25/44/22.08.2024 of SOR
17	TRAVANCORE OXYGEN LIMITED(13/14/1338)	13/14/1338	0.030	Order No.SOR/HTB 13/14/1338/2024-25/24.07.2024 OF SOR
18	M/s. AGRO TECH	13/9552	0.067	Order No.SOR/1HTB 13/9552/Billing/2024-25/45/30.08.2024 of SOR
19	M/s. AGRO TECH	13/9552	0.072	Order No.SOR/HTB 13/9552/Billing/2024-25/48/23.09.2024 of SOR
20	THRISSUR COOPERATIVE SPINNING MILLS LTD	15/1520	0.113	Order no.SOR/HTB 15/1520/24-25/187/18.10.2024 of SOR
21	ALLIANCE GRAIN PRODUCTS (P) LTD	15/1958	0.005	Order no.SOR/HTB 15/1958/24-25/188/18.10.2024 of SOR
22	RELIANCE INFOCOM LTD.,	15/3893	0.001	Order No.SOR/HTB-15/3893/DM/2024-25/161/29.04.2024 of SOR
23	V B GRANITES	15/9021	0.011	Order No.SOR/HTB.15/9021/23-24/155/11.04.2024 of SOR
24	JOY ALUKKAS INDIA PVT LTD	16/8520	0.001	Order No.SOR/HTB 16/8520/2023-24/26.03.2024 of SOR
25	LOKA MEDICITY	17/10942	0.001	Order No.SOR/HTB -17/10942/Withdrawal/2024-25/28.11.2024
26	COOKIES INDIA (P) LTD	17/1145	0.014	Order No. SOR/AMU VI/LCN 17/1145/OTS 2023/2024-25 dtd 13.02.2025
27	MRM CRUMB RUBBER FACTORY	17/1536	0.016	Order No.SOR/HTB-17/1536/2024-25/31.05.2024 of SOR
28	INDIRAGANDHI CO-OPERATIVE HOSPITAL,ERNAKULAM	17/1549	0.028	Order No.SOR/HTB 17/1549/2023-24/dated 01/01/2024 of SOR. TDS credit
29	INDIRAGANDHI CO-OPERATIVE HOSPITAL,ERNAKULAM	17/1549	0.357	Order No.SOR/HTB 17/1549/2023-24/dated 01/01/2024 of SOR

30	PRS HOSPITAL Pvt Ltd	17/1553	0.104	Order No.SOR/AMU VI/17/1553/2024-25/8.08.2024 of SOR
31	KELTRODE ARC (P) LTD	17/1557	0.224	Order No.(1)SOR/AMU VI/LCN 17/1557/OTS 2023/2024-25/27.09.2024 of SOR
32	PANKAJAKASTHURI COLLEGE OF ENGINEERING & TECHNOLOGY	17/5554	0.005	Withdrawal as per Order No.SOR/HTB 17/5554/2023-24/4.4.2024 of SOR
33	KERALA WATER AUTHORITY,KWA,KONDOTTY (PHSD)	19/2021	0.092	Order No.SOR/GCB3/19/2021/2024-25/27.03.2025 of SOR
34	PARVATHY MILLS LTD (NTC)	19/921	0.099	Order No.SOR/AMU 8/HTB 19/921/2024-25/35/16.08.2024 of SOR
35	CITY MINAR RESIDENCY	20/6316	0.026	Order No.SOR/HTB 20/6316/2024-25/21.05.2024 of SOR. (APTS Demand--251287/-+ Interest --11806/-)
36	PVS MEMORIAL HOSPITAL (Commercial Complex) Ltd	20/7003	0.821	Order No.SOR/HTB 20/7003/2024-25/18.07.2024 of SOR
37	KERALA WATER AUTHORITY,KWA, PONNANI	21/1834	0.060	Order No.SOR/GCB3/21/1834/2024-25/25.10.2024 of SOR
38	Mangala Marine Exim	21/3381	0.023	Order No.SOR/HTB 21/3381/2022-23/25.05.2022 of SOR
39	SANTHIGIRI ASHRAM	21/7930	0.037	Order No.SOR HTB 21/7930/2024-25/15.02.2025 of SOR
40	Pentalegacy Pvt Ltd.	23/10110	0.010	Order No.SOR/HTB/23/10110/2023-24/23.01.2025 of SOR
41	HOTEL INDRAPRASTHA(MUTHUVELAN SONS)	23/3974	0.041	Order No.SOR/HTB 23/3974/2024-25/16.04.2024 of SOR
42	HILITE PLAZA TOWER	23/6774	0.001	Order No.SOR Billing/HTB 23/6774/2024-25/14/04.04.2024
43	HILITE PLAZA TOWER	23/6774	0.070	Withdrawal of excess belated charges of Rs. 701042 as per Order No SOR Billing/HTB 23/6774/24-25
44	STATE ARCHIVES DEPARTMENT (REGD)	24/14/1458	0.001	Order No.SOR/HTB 24/14/1458/2024-25/22.04.2024 of SOR
45	SD PHARMACY PVT LTD,KALAVOOR,ALAPUZHA	24/3853	0.048	SOR/HTB 24/3853/2024-25/24.06.2024 of SOR
46	PRATHEEKSHA PRINTERS & PUBLISHERS	24/5439	0.044	Order no.SOR/HTB 24/5439/24-25/18.10.2024 of SOR
47	KHB TOWER	24/5500	0.006	Order No.SOR/HTB-24/5500/2024-25/3.4.2024 of SOR
48	MA'DIN METRO MART	24/8178	0.026	Order No.SOR/HTB-24/8178/2024-25/Dated 30.09.2024 of SOR
49	HOTEL LUCIA CONTINENTAL (25/22/2231)	25/22/2231	0.005	Order No.SOR/HTB 25/22/2231/2024-25/31.08.2024 of SOR
50	PANORAMIC SEA RESORT	25/6830	0.011	Order No.SOR/HTB 25/6830/2024-25/25.03.2025 of SOR
51	MANUMATIC NISSAN,KANNUR	26/6421	0.002	Order No.SOR/HTB 26/6421/DM/2024-25/185/24.09.2024 of SOr
52	FRIENDS ELECTRO COLOURING	26/6716	0.001	Order No.SOR/HTB 26/6716/24-25/189/16.11.2024 of SOR
53	AMALA GRANITE PRODUCTS	26/7912	0.001	Order No.SOR/HTB 26/7912/2024-25/183/06.09.2024 of SOR
54	ARENA GRANITES	26/9987	0.115	Order No.SOR/HTB/26/9987/23-24/158/11.04.2024 of SOR
55	ROYAL GRANITES	27/7749	0.015	Order No.SOR/HTB 27/7749/2024-25/26.07.2024 OF SOR
56	MANGALAM PUBLICATION,KOTTAYAM	28/22/2255	0.074	Order No.SOR/AMU4/LCN 28/22/2255/2024-25/11.04.2024 of SOR
57	KADUTHURUTHY RUBBER MARKETING&PROC.SOCTY	28/2874	0.049	Order No.SOR/AMU4/HTB 28/2874/2024-25/65/18.04.2024 of SOR
58	KK ROCKS & GRANITES PVT LTD, MALAYAM	28/3928	0.020	Order No.SOR/HTB 28/3928/2024-25/24.05.2024 of SOR
59	POABS GRANITE PRODUCTS PVT LTD-(REG)	28/4230	0.075	Order No.SOR/AMU 4/lcn-28/4230/2024-25/100 dated 07.09.2024 of SOR
60	MALAYALA MANORAMA FM STUDIO,KOZHIKODE	28/4597	0.002	Order No.SOR/HTB 28/4597/2024-25/181/29.08.2024 of SOR

61	BSNL TELEPHONE EXCHANGE, MANACAUD	28/4977	0.001	Order No.SOR/SOR/HTB-28/4977/2024-25/172/25.06.2024
62	KANNUR UNIVERSITY	28/5413	0.010	Order No.SOR/HTB 28/5413/2024-25/30.04.2024 of SOR
63	KERALA BHUSHANAM	28/6628	0.013	Order No.SOR/HTB 28/6628/2024-25/31.05.2024 of SOR
64	K K PLASTICS	29/3835	0.008	Order No.(1)SOR/AMU VI/LCN 29/3835/2024-25/23.11.2024 of SOR
65	KAC RUBBERS	29/5444	0.006	Order No.SOR/HTB 29/5444/2023-24/14dated/15.06.2024 of SOR
66	ROYAL DENTAL COLLEGE	29/5595	0.114	Wrong Debit Entry made for an amount of Rs1140900
67	HI-TECH BAMBOO FLOORING TILE FACTORY	29/5864	0.053	Order No.SOR/HTB 29/5864/2024-25/45/28.02.2025 of SOR
68	J&P SAND&AGGREGATES INTERNATIONAL PVT.LTD.	3/7739	0.007	Order No.SOR/HTB-3/7739/2024/25 dated 15.06.2024
69	MALAYALAM CHEMICALS PVT LIMITED	30/3111	0.516	Order No.SOR/AMU 8/HTB 30/3111/2024-25/34/07.08.2024
70	MANGALAM PUBLICATIONS,THIRUVANANTHAPURAM	30/4296	0.002	Order no.SOR/HTB 30/4296/2023-24/24.05.2024 of SOR
71	VALLITHOTTATHIL INDUSTRIES	30/8413	0.032	Order No.SOR/HTB 30/8413/2024-25/25.07.2024 of SOR
72	J.S.H.INDUSTRIES	30/9372	0.133	Order No.SOR/HTB 30/9372/2024-25/31.05.2024 of SOR
73	LASUAM STEEL	31/3805	0.138	Order No.SOR/HTB 31/3805/2024-25/27.04.2024 of SOR (OTS)
74	MAR BASIL GRANITES & METALS	31/5806	0.180	Order No.SOR/HTB 31/5806/2024-25/10.05.2024 of SOR.
75	KERALA FEEDS LIMITED	31/8087	0.016	Order No.SOR/HTB 31/8087/24-25/15.06.2024 of SOR
76	RUBBER COMPOUNDING MIXING PLANT	32/5262	0.465	Order No.SOR/HTB-32/5262/2024-25/26.07.2024 of SOR
77	RUBBER COMPOUNDING MIXING PLANT	32/5262	0.014	Order No.SOR/HTB 32/5262/2024-25/dated/25.06.2024 of SOR
78	EXIM PIPES PVT LTD	32/7482	0.001	Order No.SOR/HTB 32/7482/2024-25/23.09.2024 of SOR
79	Lift Irrigation Project KIP,Chirakkara	35/10505	0.092	Order No.SOR/MI/30/10505/2024-25 dtd 03.03.2025
80	TERUMO PENPOL PRIVATE LTD	36/9471	0.001	Order No.SOR/HTB 36/9471/2024-25/5
81	TERUMO PENPOL PRIVATE LTD	36/9471	0.000	Order No.SOR/HTB-36/9471/2024-25/233/25.07.2024 of SOR (14462-11535)
82	ALLIEDS BUILDING(SHOPPING MALL)	36/9636	0.009	Order No.SOR/HTB-36/9636/2024-25/14/13.06.2024 of SOR
83	KADERS MALL	36/9686	0.001	Order No.SOR/HTB-36/9686/2024-25/631/Dated 28.09.2024 of SOR
84	MATSYAFED FISH MEAL & OIL PLANT	36/9857	0.002	Order No.SOR/HTB-36/9857/2024-25/5/7/05.2024 of SOR
85	M/S EDUMART HYPER MARKET	36/9882	0.008	Order No.SOR/HTB-36/9882/2024/25 dated 15.06.2024 of SOR
86	LAKESHORE HOSPITAL & RESEARCH CENTRE LTD	5/3716	0.081	Order No.SOR/HTB/5/3716/2024-25/53/6.09.2024 of SOR
87	CAARMEL ENGINEERING COLLEGE	5/5167	0.004	Order No.SOR/HTB/5/5167/2024-25/18.02.2025 of SOR
88	RUBY ROLLER FLOUR MILLS	5/528	0.088	Order No.SOR/HTB 5/528/2024-25/1.03.2025
89	IRRIGATION DIVISION ,THRISSUR	5/531	0.034	Order No. SOR/GCB3/5/531/2024-25/MI/106 dtd 25.10.2024
90	STEEL MAX ALLOYS LTD	5/554	0.082	Order No.SOR/HTB-5/554/2023-24/ dated 24.05.2024 of SOR
91	ONATTUPARAMBIL PRODUCTS	5/6400	0.003	Order No.SOR/HTB/5/6400/2024-25/19/15.06.2024 of SOR
92	CHEER CREAMS PVT LTD	5/6871	0.019	Order No.SOR/HTB/5/6871/2024-25/45/Dated 7.08.2024 f SOR

93	Calicut Coco Products	5/9331	0.002	Order No.SOR/HTB 5/9331/2024-25/Dated 23.07.2024 of SO(R)
94	PARATHODE GRANITES	6/6401	0.027	Order No.SOR/Billing/HTB-6/6401/2024-25/69/29.07.2024 of SOR
95	THEEKOY GRANITES	6/6962	0.266	Order No.SOR/HTB-6/6962/2024-25/83/07.01.2025 of SOR
96	ACCURARCH ACRYLICS PVT LTD	6/6998	0.008	Order No. SOR/AMU4/LCN -6/6998/2024-25/90/18.07.2024 of SOR
97	PERIA PEAK TEA ESTATES PVT. LTD.	7/3792	0.023	Order No.SOR/HTB 7/3792/2024-25/19.03.2025 OF SOR
98	AVENUE REGENT HOTEL & RESORTS	7/750	0.009	Order No.SOR/HTB 7/750/2024-25 dated 02/05/2024 of SOR
99	AVENUE REGENT HOTEL & RESORTS	7/750	0.360	Order No.SOR/HTB 7/750/2024-25 dated 02/05/2024 of SOR
100	PIPE FIELD INDIA (P) LTD	7/7842	0.003	Order No.SOR/HTB 7/7842/2024-25/05.10.2024 of SOR
101	K KARUNAKARAN MEMORIAL CO OP SPG MILLS LTD	7/8200	0.024	Order No.SOR HTB 7/8200/2023-24/06.042024 of SOR
102	CARBORUNDUM UNIVERSAL LTD,EDAPPALLY	8/1234	2.908	Order No.SOR/HTB 3&33CPP/M/S.CUMI/2024-25/19.06.2024
103	TRAVANCORE GRANITE LTD, AMBOORI	8/3394	0.057	Order No.SOR/HTB/8/3394/2024-25/35/06.12.224 of SOR
104	MATHRUBHUMI PRG. & PUBG. CO,KOCHI	8/801	0.176	Order No.SOR/AMU 4/LCN-8/801/2024-25/86/29.06.2024 of SOR
105	KAVITHA THEATRE, ERNAKULAM	8/817	0.006	Order No.SOR/HTB 8/817/2024-25/29 dated 30.10.2024 of SOR
106	PRISTINE PLASTICS&POLYMERS	9/7625	0.037	Order No.SOR/AMU 1/HTN 9/7625/2024-25/8/23.11.2024 of SOR
107	Manorama Wind	MWEP	1.305	Order No.SOR/HTB/CPP-Manorama/2024-25/176/23.07.2024 of SOR
TOTAL			**32.577**	

Appendix 1
List of Persons attended the public Hearing

1. Adv. Ajit Joy, Advocate, KSEBL
2. Shri. Biju R, Director (Finance), KSEBL
3. Shri. M P Rajan, Chief Engineer(C & T), KSEBL
4. Smt. Sheeba, CE Transgrid
5. Smt. Asha P A, CE REES & PED
6. Shri Rajeev K R, CE (Transmission- System Operation).
7. Shri. Suresh Kumar, Deputy Chief Engineer, TRAC, KSEBL
8. Shri. Alphonse R J, Financial Officer, KSEBL
9. Shri. Shyjesh N K, AFO, KSEBL
10. Smt. Seema P Nair, AEE, TRAC, KSEBL
11. Shri. Biji Christudas, AEE, TRAC, KSEBL
12. Smt. Sumi Nair, SA, TRAC, KSEBL
13. Smt. Seetha Lakshmi G R, SA, TRAC, KSEBL
14. Shri. Vinod V, CE, KSEBL
15. Shri. Padmakumar N KSEBL, Finance Officer
16. Shri. Anil Rosh, KSEBL, Financial Advisor
17. Shri. Sivasankaran R, DyCAO, KSEBL
18. Smt. Ligi George A, AFO, KSEBL
19. Shri. Shine Raj, AEE, KSEBL
20. Shri. Vikraman Nair P, AEE, TRAC, KSEBL
21. Shri. Edward P. Boniface, AEE, TRAC, KSEBL
22. Shri. Saji Mathew, HT & EHT Association
23. Shri. Firoz N, HT & EHT Association
24. Shri. Mathew Varghese
25. Shri. Mohammed Ibrahim Konnola, Malappuram
26. Shri. Himanshu Chawla, Power Foundation of India