

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

**Petition No: OP 52 / 2024**

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

**In the matter of :** Petition for approval of truing up of accounts for the financial year 2023-24

**Petitioner :** M/s Infopark Kerala

**Represented by :** Sri. Vijayan V R, AGM- Projects, Infopark  
Sri. Arun S, Asst. Engineer- Electrical  
Sri. Abdul Rahim, Consultant

**Respondent :** M/s Kerala State Electricity Board Limited

**Represented by :** Sri. Rajesh.R, Asst Executive Engineer, KSEB Ltd  
Sri. Shan B.S, Asst. Executive Engineer, KSEB Ltd

**Hearing :** 28.01.2025 at the Court Hall,  
Office of the Commission

**Order Dated 11.03.2025**

1. M/s Infopark, Kochi (hereinafter called the licensee or Infopark) is a Government of Kerala Undertaking, engaged in the development of infrastructure for information technology (IT) and information technology enabled services (IT enabled Services). The licensee is providing ready to occupy infrastructure including power distribution to IT companies in Kakkanad and Cherthala area. Infopark, Chertala was granted distribution licence vide order dated 10-05-2010 of the Commission and the electricity distribution operations have commenced from 01-07-2013. The Infopark Phase II campus at Kochi was granted distribution licence vide Order dated 18-10-2011.
2. The Commission had notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 for the five-year Control Period starting from the first day of April 2022 and ending on the thirty first day of March 2027. The licensee has filed the petition for truing up of accounts for the year 2023-24 as per the provisions of the KSERC (Terms and Conditions for determination of Tariff) Regulations 2021. The present petition is for the second year of the Control Period.

3. The Commission vide Order in OP No.09/2023 dated 24.01.2024 has approved the ARR&ERC for the Control Period. In the present petition for truing up the accounts, the licensee has claimed a revenue gap of Rs.57.26 lakh compared to revenue gap of Rs.26.21 lakh approved by the Commission in the Order on ARR&ERC. A comparison of the claim made in the present petition with the ARR&ERC approved by the Commission and with the previous year is tabulated below.

**Table 1**  
**Comparison of ARR & ERC and Truing Up for 2023-24 (Rs. Lakh)**

Particulars	ARR Projected	ARR Approved	For Truing Up
Cost of Power Purchase	605.79	541.95	874.59
Employee cost	28.49	23.98	29.79
A&G Expense	17.92	4.89	12.29
R&M Expense	37.84	25.28	45.28
Depreciation	44.70	47.21	47.21
Interest on Normative Long-Term Loan	54.08	45.23	53.76
Interest on Consumer Deposits & Bank charges	5.59	4.71	7.36
Interest on Working Capital	0.00	0.39	3.76
Carrying cost for past revenue gaps	0.00	53.93	58.03
Return on Equity	36.22	38.70	36.08
<b>Aggregate Revenue Requirement</b>	<b>830.65</b>	<b>786.27</b>	<b>1168.15</b>
Revenue from Sale of power	721.80	721.80	1055.68
Wheeling Charges	35.29	35.29	45.98
Non-Tariff Income	2.97	2.97	9.24
<b>Total Revenue/ERC</b>	<b>760.06</b>	<b>760.06</b>	<b>1110.90</b>
<b>Revenue Surplus / (Deficit)</b>	<b>(70.59)</b>	<b>(26.21)</b>	<b>(57.26)</b>

**Table 2**  
**Comparison of previous years (Rs. lakh)**

Particulars	2021-22		2022-23		2023-24
	Truing Up Petition	Trued Up	Truing Up Petition	Trued Up	Truing Up Petition
Power Purchase Cost	490.98	490.98	704.72	706.94	874.59
Employee Cost	14.40	14.40	24.99	23.53	29.79
A &G Expenses	10.69	6.69	8.79	6.04	12.29
R&M Expenses	43.57	41.13	49.71	35.57	45.28
Depreciation	44.70	44.52	47.21	47.21	47.21
Interest and Finance Charges	56.20	92.47	98.43	96.91	122.91
Return on NFA	22.44	22.36	38.70	41.30	36.08
<b>Total Expenditure</b>	<b>682.98</b>	<b>712.55</b>	<b>972.56</b>	<b>957.50</b>	<b>1168.15</b>
Revenue from Sale of Power	602.31	602.31	874.03	874.03	1055.68
Wheeling Charges	21.63	21.63	36.10	36.10	45.98
Other Income	3.24	3.24	4.95	4.95	9.24
<b>Total Income</b>	<b>627.18</b>	<b>627.18</b>	<b>915.08</b>	<b>915.08</b>	<b>1110.90</b>
<b>Net Surplus/(Deficit)</b>	<b>(55.80)</b>	<b>(85.37)</b>	<b>(57.48)</b>	<b>(42.42)</b>	<b>(57.26)</b>

4. After examining the petition, the Commission admitted the petition as **OP No. 52/2024.**

## Hearing on the Petition

5. The hearing on the petition was conducted at the Court Hall, Office of the Commission on 28-01-2025. Sri. Vijayan V R, AGM- Projects, Sri. Arun S, Asst. Engineer- Electrical and Sri. Abdul Rahim, Consultant represented the petitioner and responded to the queries of the Commission. Sri. Abdul Rahim briefed the petition before the Commission and replied to the queries. The main points mentioned in the presentation are briefed below;
- a) The number of consumers during the year 2023-24 is 211 and the actual sale for the year is 120 lakh units.
  - b) There are 185 consumers in Kakkanad and 26 consumers in Cherthala campuses. Sales at Kakkanad area is 111 lakh units whereas the sales at Cherthala area is 9.01 lakh units.
  - c) The energy purchased from KSEB Ltd is 122.82 lakh units and solar power injected to the grid is 0.058 lakh units. The Total energy requirement for the year 2023-24 is 122.88 lakh units
  - d) The overall distribution loss for the year 2023-24 is 3.15% and the actual power purchase cost for the year is Rs.874.59 lakh. Distribution loss of Cherthala area is 12.22% and that of Kakkanad area is 2.66%.
  - e) The Commission while approving the norms in the Tariff Regulations 2021 had approved the Operation and Maintenance Expense at Rs.54.15 lakh. The licensee in the petition has claimed total operation and maintenance expense of Rs.87.36 lakh. The major portion of the O&M is towards repair and maintenance for the year .
  - f) The Employee cost claimed for the year 2023-24 is Rs.29.79 lakh. The licensee in the petition has stated that the main increase is due to payment of interim relief and arrear amount paid to employees which was not controllable.
  - g) The actual R&M expense for the year is Rs.45.28 lakh, which includes O&M contract cost of Rs.36.32 lakh and one time expenditure of Rs.8.96 lakh.
  - h) The A&G expense claimed for the year is Rs.12.29 lakh For the year 2023-24, the licensee claimed that the significant rise is attributable to increase in Kerala Electrical inspectorate fees, Audit fees and Consultancy fees.
  - i) The depreciation claimed for the year 2023-24 is Rs. 47.21 lakh which is in line with the Tariff Regulations 2021.
  - j) The licensee has claimed Interest and finance charges of Rs. 122.91 lakh which includes interest on normative loan, interest on security

deposit, Interest on working capital, bank charges and Carrying cost for past revenue gaps

- k) Return on Net Fixed Assets (RoNFA) of Rs.36.08 lakh has been claimed by the licensee.
  - l) The total expenditure incurred in 2023-24 is Rs.1168.15 lakh.
  - m) The Revenue for the sale of 120 lakh units in 2023-24 is Rs.1055.68 lakh. Major revenue realisation is from HT I B consumers at Kakkanad
  - n) The licensee has also accounted Rs.45.98 lakh as wheeling charges from M/s Smart City. The total energy wheeled to Smart City is 74.84 lakh units.
  - o) The Non-Tariff Income claimed by the licensee is Rs.9.24 lakh which includes interest on investments and deposits, interest on advances etc.
  - p) The total revenue for the year 2023-24 is Rs.1110.90 lakh.
  - q) The petition for the truing up of accounts for the year 2023-24 is submitted with a revenue gap of 57.26 lakh.
6. KSEB Ltd, vide letter dated 27.01.2025 submitted the following comments on the petition;
- a) The purchase cost of licensee as per petition tally with the records of KSEB Ltd.
  - b) Increase in the number of consumers should have led to an increase in application fees, but this has not been reflected in the non-tariff income.
  - c) Approved distribution loss for FY 2023-24 is 4.23%, but the actual reported loss is 3.15%, which is within the limit. Major improvements were seen in Cherthala, where loss reduced significantly despite increased load. However, no new asset additions were reported, making the cause of loss reduction unclear.
  - d) Smart City wheeling charge is reported as ₹45.98 lakh, aligning with KSEBL records.
  - e) The Operation and Maintenance expense claimed is higher than the ceiling level specified in the Tariff Regulations, 2021. It was submitted that Operation and Maintenance expense is a controllable factor and higher cost compared to the ceiling norms are to be disallowed after prudence check.

### **Analysis and decision of the Commission**

7. The Commission considered the petition of the licensee for Truing Up of Accounts for the year 2023-24 along with the clarifications provided in the hearing, the comments of KSEB Ltd. The analysis and decisions of the

Commission as per the provisions of the Tariff Regulations, 2021 on the petition for Truing Up of Accounts for the year 2023-24 are detailed below.

### Energy sales and consumer mix

8. The licensee in the petition submitted area wise details of the number of consumers and sales. It may be seen that there is increase in the number of consumers of the licensee. As per the details provided in the petition, there are 185 consumers in Kakkanad and 26 consumers in Cherthala campuses. Sales at Kakkanad area is 111.00 lakh units (2022-23 – 91.45 lakh units) whereas the sales at Cherthala area is 9.01 lakh units (2022-23 – 7.13 lakh units). Out of the total sale of 120.00 lakh units major sale of 72.23 lakh units is to four HT I B consumers. A comparison of the actual number of consumers and the sale of power is shown below.

**Table 3**  
**Comparison of no. of consumers and sales**

Category	2021-22 Trued Up		2022-23 Trued Up		2023-24 For Truing Up	
	Consumers	Sale (lakh units)	Consumers	Sale (lakh units)	Consumers	Sale (lakh units)
LT Industrial	128	19.49	158	29.97	185	40.03
LT Commercial	23	4.13	23	8.06	19	6.55
Street Lighting	2	1.35	2	1.32	2	1.18
HT I B	4	43.98	4	59.23	4	72.23
HT II B	-	-	-	-	1	0.01
<b>Total</b>	<b>157</b>	<b>68.95</b>	<b>187</b>	<b>98.58</b>	<b>211</b>	<b>120.00</b>

9. The licensee has stated that the increase in the sales is mainly on account of induction of new IT Companies in the distribution area and increase in the consumption pattern of existing consumers since more companies' discontinued Work from Home option. ***After analyzing the details, the Commission hereby approves the actual energy sales of 120.00 lakh units as per petition for the purpose of Truing Up of Accounts for the financial year 2023-24.***

### Energy Requirement and Distribution Loss

10. As per the petition, the total energy input for the sale of energy to the consumers for year 2023-24 is 197.72 lakh units, out of which energy purchased from KSEB Ltd is 197.66 lakh units and the solar power injected to the grid is 0.058 lakh units. Total energy sold to the consumers and wheeled to M/s Smart city is 191.49 lakh units contributing total distribution loss as 3.15 %. The computation of distribution loss is tabulated below:

**Table 4**  
**Distribution loss including wheeling energy for 2023-24**

Particulars	2023-24		
	Kakkanad (PH-II)	Cherthala	Total
Power Purchase from KSEB Ltd (in lakh units)	112.55	10.27	122.82
Wheeled Energy Input (in lakh units)	74.84	0	74.84
Solar Generation (in lakh units)	0.058	0	0.058
<b>Energy Input (in lakh units)</b>	<b>187.44</b>	<b>10.27</b>	<b>197.72</b>
<b>Energy sales to Consumers</b>			
HT Sales (in lakh units)	64.89	7.34	72.24
LT Sales (in lakh units)	46.11	1.67	47.78
Wheeled Energy output (in lakh units)	71.48		71.48
<b>Total Output</b>	<b>182.46</b>	<b>9.01</b>	<b>191.49</b>
Distribution loss	4.98	1.25	6.23
<b>Distribution loss %</b>	<b>2.66%</b>	<b>12.22%</b>	<b>3.15%</b>

11. The actual distribution loss for the year 2022-23 was 3.93% which was approved while truing up the accounts for the year as shown below;

**Table 5**  
**Distribution loss including wheeling energy for 2022-23**

Particulars	2022-23		
	Kakkanad (PH-II)	Cherthala	Total
Power Purchase from KSEB Ltd (in lakh units)	93.20	8.78	101.98
Wheeled Energy Input (in lakh units)	60.53	0	60.53
Solar Generation (in lakh units)	0.28	0	0.28
<b>Energy Input (in lakh units)</b>	<b>154.01</b>	<b>8.78</b>	<b>162.79</b>
<b>Energy sales to Consumers</b>			
HT Sales (in lakh units)	53.54	5.70	59.24
LT Sales (in lakh units)	37.91	1.43	39.34
Wheeled Energy output (in lakh units)	57.81	0	57.81
<b>Total Output</b>	<b>149.26</b>	<b>7.13</b>	<b>156.39</b>
Distribution loss	4.75	1.65	6.40
<b>Distribution loss %</b>	<b>3.08%</b>	<b>18.82%</b>	<b>3.93%</b>

12. The Commission while issuing the Order on ARR&ERC for the control period had approved a distribution loss of 4.23% for the year 2023-24 considering the fact that the dismal business at Cherthala Area is contributing to higher incidence of overall distribution loss. The actual energy loss over the years at Infopark Cherthala and purchase/sales are tabulated below.

**Table 6**  
**Distribution loss for the past years at Cherthala Phase**

Year	Purchase (lakh Units)	Sale (lakh Units)	Energy Loss (lakh Units)	Energy Loss (%)
2017-18	14.33	12.57	1.76	12.28
2018-19	12.71	11.18	1.52	11.98
2019-20	11.66	10.24	1.42	12.18
2020-21	7.26	5.85	1.41	19.34

2021-22	6.43	5.01	1.41	21.99
2022-23	8.78	7.13	1.65	18.82
2023-24	10.27	9.01	1.25	12.22

13. Compared to 2022-23, there is a reduction in the distribution loss. Though there is improvement in the sales compared to previous year, there is no considerable increase in the sales in Cherthala area. The licensee stated vide their clarification dated 11.06.2024 and during the hearing on Truing Up 2021-22, that the underutilization of EHT substation at Cherthala installation was the main reason for increased No-load loss, which in turn increased the overall loss of Infopark Cherthala. However, Infopark is trying its best to reduce the overall loss by attracting more potential power consumers in the area through effective marketing strategies. Moreover, Infopark is exploring possibilities to extend power to the consumers of KSEB Ltd in the vicinity of Infopark through wheeling arrangements. Another proposal is also in progress to hand over the EHT substation of Cherthala to KSEB Ltd to utilize the assets in the optimum level for which application is submitted to KSEB Ltd & follow up actions are in track. **Considering this, the Commission reiterates that the licensee shall take all earnest efforts to improve the business activities at Cherthala.**

14. Distribution loss is a controllable parameter as per Tariff Regulations, 2021. Regulation 73(3) clearly specifies the methodology to be considered to account for any variation between the actual level of distribution loss and the approved level of the distribution loss. The relevant portions of the Regulation are as shown below:

73. Distribution loss...

.....

(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 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 purchase 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 distribution loss for any particular financial year of the control period, then the savings in the power purchase cost corresponding to the difference in distribution loss for that financial year at the average cost of power purchase for the respective financial year, shall be shared between the distribution business/licensee and the consumers in the ratio of 2:1

15. As per Regulation 73, distribution loss is a controllable item, and its reduction is an efficiency parameter. **Considering the fact that the licensee has achieved a distribution loss better than the distribution loss approved by the**

**Commission, the Commission hereby approves the actual loss of 3.15% achieved by the licensee. The licensee shall take added efforts to reduce the losses further.** Accordingly, the efficiency gain on distribution loss has to be shared in the ratio of 2:1 between the licensee and consumers i.e., 2/3rd of gain is to be retained by the licensee and 1/3rd is to be passed on to the consumers. Considering the approved distribution loss of 4.23%, the approved energy requirement for the year 2023-24 as shown below:

**Table 7**  
**Approved Energy input & Distribution Loss for the year 2023-24**

Particulars	Approved in ARR	As per Truing up petition	Trued up
Energy Sales (lakh units) (1)	82.75	120.00	120.00
Wheeled energy Output (lakh units) (2)	55.25	71.48	71.48
Total Energy Output (lakh Units) (1+2)	<b>138.00</b>	<b>191.48</b>	<b>191.89</b>
<b>Distribution Loss (%)</b>	<b>4.23</b>	<b>3.15</b>	<b>4.23</b>
Distribution Loss (lakh Units)	6.10	6.24	8.46
<b>Energy Requirement (lakh units)</b>	<b>144.10</b>	<b>197.72</b>	<b>199.94</b>
Wheeled energy Input (lakh units)	57.86	74.84	74.84
Solar Energy Input	10.73	0.058	0.058
<b>Energy purchase from KSEB Ltd (lakh units)</b>	<b>75.51</b>	<b>122.82</b>	<b>125.04</b>

### **Power purchase cost**

16. The power purchase cost claimed for the year 2023-24 is Rs. 874.59 lakh which includes Rs.874.43 lakh incurred for power purchase (122.82 lakh units) from KSEB Ltd and Rs.0.16 lakh towards 0.06 lakh units solar power injected to the grid. The details of power purchase cost as per the petition is given below: -

**Table-8**  
**Power Purchase Cost**

Source	Energy purchased (lakh units)	Fixed charge (Rs.lakh)	Energy charges (Rs.lakh)	Total cost (Rs.lakh)
KSEB Ltd	122.82	149.78	724.65	874.43
Solar energy from prosumers	0.058		0.16	0.16
<b>Total</b>	<b>122.88</b>	<b>149.78</b>	<b>724.81</b>	<b>874.59</b>

17. Commission notes that there is increase in the quantum of power purchased from KSEB Ltd compared to the previous year, but there is decrease in the quantum purchased from prosumers. During the previous year, the licensee had purchased 0.28 lakh units whereas during the current year, the quantum purchased has reduced to 0.058 lakh units. As per the details submitted by the licensee, the power is purchased from the prosumers at the APPC at Rs.2.69/unit for the settling of surplus energy.



18. As per the provision of Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) Regulation 2020 (Regulation No.29 (4)), the licensee shall pay for the net electricity banked by the eligible consumer at the end of the settlement period at the APPC of electricity as approved by the Commission for that year. The applicable APPC is Rs.3.15/unit for the settling of surplus energy. Considering the settlement made by the licensee, ***the Commission hereby approves the solar power (0.058 lakh units) purchased from the prosumer at the rates of Rs.2.69/ unit at a total cost of Rs.0.16 lakh and directs the licensee to further adjust the payment to prosumers at the applicable rate of Rs.3.15/unit.***
19. The actual distribution loss is lower than the approved level of distribution loss, the savings in the power purchase cost corresponding to the difference in distribution loss for that financial year at the average cost of power purchase for the year, is to be shared between the distribution business/licensee and the consumers in the ratio of 2:1. ***Accordingly, the approved power purchase cost for 2023-24 considering the savings on account of reduction in distribution loss is as shown below;***

**Table 9**  
**Savings in cost of power purchase due to excess loss**  
**reduction over target level for 2023-24**

1	Actual distribution loss (In lakh units)	6.24
2	Approved distribution loss (In lakh units)	8.46
3	Savings on distribution loss (2-1) (In lakh units)	2.22
4	Average power purchase cost (Rs. /kWh)	7.12
5	Efficiency gain at average power purchase cost (Rs. lakh) (3*4)	15.81
6	Efficiency gain to be retained by licensee (2/3rd) (Rs. lakh)	10.54
7	Actual power purchase cost (Rs. lakh)	874.59
8	<b>Approved power purchase cost (Rs. lakh) (6+7)</b>	<b>885.13</b>

20. ***Accordingly, the Commission hereby approves Rs.885.13 lakh as power purchase cost for the year 2023-24.***

### **Operation & Maintenance expenses**

21. Operation and Maintenance expenses are controllable expenses which include Employee cost, Repair & Maintenance expenses and Administrative & General expenses. The Commission while approving the ARR & ERC for the control period had approved the O&M expenses as per the normative level and had stated that any additional expenses relating to uncontrollable factors or one-time expenses can be considered at the time of Truing Up of accounts only after prudence check by the Commission. The Commission while approving the norms in the Tariff Regulations, 2021 had approved the Operation and

Maintenance expense of Rs.54.15 lakh for 2023-24. The licensee in the petition has claimed total operation and maintenance expense of Rs.87.36 lakh. The comparison of O&M expenses with the previous year is tabulated below;

**Table 10**  
**Comparison of Operation & Maintenance Expenses 2023-24 (Rs. lakh)**

Particulars	ARR Projected	ARR Approved	For Truing Up
Employee cost	28.49	23.98	29.79
A&G Expense	17.92	4.89	12.29
R&M Expense	37.84	25.28	45.28
<b>Total</b>	<b>84.25</b>	<b>54.15</b>	<b>87.36</b>

**Table 11**  
**Comparison of Operation & Maintenance Expenses – Previous years (Rs. lakh)**

Particulars	2021-22		2022-23		2023-24
	Truing Up Petition	Trued Up	Truing Up Petition	Trued Up	Truing Up Petition
Employee Cost	14.40	14.40	24.99	23.53	29.79
A & G Expenses	10.69	6.69	8.79	6.04	12.29
R&M Expenses	43.57	41.13	49.71	35.57	45.28
<b>Total</b>	<b>68.66</b>	<b>62.22</b>	<b>83.49</b>	<b>65.14</b>	<b>87.36</b>

### Employee Cost

22. The employee cost claimed by the licensee for the year 2023-24 is Rs.29.79 lakh which is higher than the normative amounts of Rs.23.98 lakh fixed by the Commission. The comparison of the claim with the previous year is tabulated below.

**Table 12**  
**Comparison of the Employee expenses (Rs. lakh)**

Particulars	2021-22	2022-23		2023-24
	Truing Up Petition & Trued up	Truing Up Petition	Trued Up	Truing Up Petition
Basic Salary	8.05	15.57	<i>Approved Rs. 23.53 lakh based on actual inflation rate of 7.06% for the year 2022-23 escalated to base year 2021-22</i>	15.95
Dearness Allowance	2.80	5.61		5.74
House Rent Allowance	0.42	0.69		0.69
Conveyance Allowance	0.08	0.13		0.13
Earned Leave Encashment	1.03	0.85		1.82
Other Allowances (IR)	0.40			0
Medical Reimbursement	1.46	2.14		0.73
Interim	-	-		1.60
Others ( Prior period Arrears)	0.16			3.13
<b>Total Employee Expenses</b>	<b>14.40</b>	<b>24.99</b>	<b>23.53</b>	<b>29.79</b>

23. The licensee in the petition has stated that the main increase is due to payment of interim relief and arrear amount paid to employees which was not controllable.

24. The Commission has examined the details furnished by the licensee and the claim in the Truing up of accounts as per the provisions of the Tariff Regulations, 2021. As per the Tariff Regulations, 2021, the licensee shall be allowed to recover the operation and maintenance expenses as per the norms specified in Annexure-7 of Tariff Regulations for each financial year of the Control Period.
25. The Annexure-7 of Tariff Regulations 2021 specifies, the base year (2021-22) norms as per Table-9 and approved norms (Third Table under para 3(iii) of Annexure-7) of the O&M expenses of Infopark. The details are given below.

**Table 13**  
**O&M Expenses as per the Tariff Regulations, 2021 (Rs. lakh)**

Particulars	Base year	Control period				
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Employee Cost	21.98	22.95	23.98	25.04	26.16	27.33
R&M Expenses	23.17	24.21	25.28	26.41	27.59	28.82
A&G Expenses	4.48	4.68	4.89	5.11	5.34	5.57
<b>Total</b>	<b>49.63</b>	<b>51.84</b>	<b>54.15</b>	<b>56.56</b>	<b>59.08</b>	<b>61.71</b>

26. The paragraph-1 of the Annexure-7 of the Tariff Regulations, 2021 specifies inflation rate adopted for tariff determination for the Control Period from 2022-23 to 2026-27. Further, the 'Note' to the paragraph-1 to Annexure-7 permits that, the actual inflation will be allowed at the stage of truing up for the respective years. The relevant provisions of the Regulations, 2021 is stated below.

*"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 period in this Regulation and the subdued performance of the economy in the year 2020-21 due 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	299.90	322.50	338.69
2	Annual CPI increase %	3.08	5.44	7.54	5.02
3	WPI (2011-12) series	114.90	119.80	121.80	123.40
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 (%)	<b>4.454%</b>			

*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 increase in 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.*

27. As discussed in the preceding paragraphs and as specified under Annexure-7 of the Tariff Regulations, 2021, the base year O&M expenses for the Year 2021-22 is Rs.49.63 lakh. The average escalation rate approved by the Commission for the Control Period from 2022-23 to 2026-27 based on the average of the 'consumer price index and whole sale price index' is 4.454%. By applying the escalation rate of 4.454% on the O&M expenses of the base year 2021-22, the O&M Expenses for 2023-24 is Rs.54.15 lakh. However, the Note to the paragraph-1 to the Annexure-7 of the Tariff Regulations 2021 provides that, the escalation rates based on the actual inflation indices shall be adopted for approving the O&M expenses while Truing up of the respective years. The actual inflation rate of the year 2023-24 is 3.41%.
28. Based on the actual escalation of 3.41% in the year 2023-24, the revised O&M expenses of Infopark is approved by the Commission considering actual inflation as given below.

**Table 14**  
**Revised O&M expenses of Infopark approved for the year 2023-24**  
**considering Actual Inflation (Rs. lakh)**

Particulars	2022-23	Control Period- 2023-24	
	Approved	Actual inflation	O&M Approved
Employee Cost	23.53	3.41%	24.33
R&M Expenses	24.81	3.41%	25.66
A&G Expenses	4.80	3.41%	4.96
<b>Total</b>	<b>53.14</b>		<b>54.95</b>

29. *The Commission hereby approves the employee expenses of Rs.24.33 lakh based on actual inflation rate for the year 2023-24. Further the licensee stated that they have incurred Rs.3.13 lakh towards interim relief for the previous year. As interim relief is paid in lieu of pay revision, the Commission is inclined to approve the same over and above the norm. Thus the Commission hereby approves Rs.27.46 lakh (Rs.24.33 lakh + Rs.3.13 lakh) towards employee cost for the year 2023-24 as against the licensee's claim of Rs.29.79 lakh.*

### **Repair and Maintenance Expenses**

30. The licensee has claimed an amount of Rs.45.28 lakh as against Rs.25.28 lakh approved for 2023-24 by the Commission. The claim of the licensee includes O&M contract cost of Rs.36.32 lakh and one time expenditure of Rs.8.96 lakh. The licensee has stated that the O&M contract has been finalized through a transparent bidding process. The split up of the R&M cost is tabulated below;

**Table 15**  
**Phase wise split up of R&M expenses for the 2023-24 (Rs. lakh)**

Particulars	Cherthala	Phase-II	Total
<b>O&amp;M contract</b>			
➤ O&M Charges to O&M contractor, M/s Voltas	13.10	23.22	36.32
<b>One Time Expenditure</b>			0
➤ ABT Meter purchase	0.95		0.95
➤ Transformer Oil filtration	0.74		0.74
➤ Purchase of MCCB (LT side) at 110 kV S/s	1.00		1.00
➤ Supply of LA	0.55		0.55
➤ Fire alarm replacement and allied works		1.99	1.99
➤ Cable joint purchase		0.03	0.03
➤ Testing fees paid to KSEB Ltd for 220 kV S/s		0.89	0.89
➤ Testing of cables and circuit breakers for 220 kV GIS S/s		2.79	2.79
<b>Total</b>	<b>16.35</b>	<b>28.92</b>	<b>45.28</b>

31. The Commission while truing up the accounts for the year 2022-23 had approved an amount of Rs.35.57 lakh (including Rs.10.76 lakh as one-time expenses) as against Rs.49.71 lakh claimed, considering the actual inflation rate and allowing only the prudent one-time expenses.

32. The Commission examined the submission of the licensee for the year 2023-24 and noted that, Rs.8.96 lakh claimed is in the nature one-time expense out of Rs.45.28 lakh of total R&M expense claimed for the year.
33. As per the provision of Tariff Regulations, 2021, any one-time expenditure can be allowed by the Commission in addition to the norms after-prudence check, considering the circumstances, details and justification furnished by the licensee. The relevant provisions are stated below.

*80. Operation and Maintenance expenses.–*

*(3) Any one time Operation and maintenance expenditure of a special nature not in the form of routine repair and maintenance, if any, if required and is undertaken by the distribution licensee, expenses for such maintenance may be allowed by the Commission after prudence check, considering the circumstances, details and justification furnished by the Distribution business/ licensee for incurring such an expenditure, to the satisfaction of the Commission.*

34. After examining the details and explanations furnished by the licensee, the Commission hereby approves the one-time repair and maintenance charges of Rs.8.96 lakh for the year 2023-24. ***The Commission after considering the details in the petition and clarifications submitted by the licensee as well as comments of KSEB Ltd, hereby approves Rs.34.62 lakh (Rs. 25.66 lakh+ Rs.8.96 lakh) as R&M expenses for the year 2023-24.***

### **Administration & General Expenses**

35. The licensee in the petition has claimed A&G expense of Rs.12.29 lakh as against the approved amount of Rs.4.89 lakh in the Tariff Regulations, 2021. A comparison of the claim with the previous year is tabulated hereunder;

**Table 16**  
**Comparison of Administrative & General Expenses (Rs. lakh)**

Particulars	2021-22	2022-23		2023-24
	Claimed and Trued Up	Truing Up Petition	Trued Up	Truing Up Petition
Insurance	0.63	1.49	<i>Approved a total of <b>Rs. 6.04 lakh</b> based on actual inflation rate of 7.06% for the year 2022-23 and also one-time expenses</i>	1.41
License and filing fee	0.96	0.51		0.31
Inspectorate fee -	1.41	1.80		4.62
Telephone and postage	0.20	0.22		0.22
Audit Fees	2.60	2.20		2.47
Vehicle Running Expenses	0.69	0.75		0.76
Printing and Stationery	0.20	0.19		0.20
Training fees at KSEB	-	0.14		-
Other professional fees	-	1.10		0.83
ABT meter testing fee	-	0.39		-
Consultancy charge	-	-	-	1.48
<b>Total</b>	<b>6.69</b>	<b>8.79</b>	<b>6.04</b>	<b>12.29</b>

36. The claim for the year 2023-24 is Rs.3.50 lakh higher than the claim during previous year. The licensee has stated that A&G expenses increased due to the additional expenses incurred for Kerala Electrical inspectorate fees, Audit fees & consultancy fees.
37. The Commission examined the submissions by the licensee as well as the explanations given in the hearing and noted that Energy audit fee can be considered as an additional item which was not reckoned at the time of arriving at the norms. Therefore the Commission approves Rs.2.47 lakh as Energy Audit fee under A&G Expenses. Considering Para 28 of this Order, the Commission has already approved Rs.4.96 lakh as A&G Expenses based on actual inflation rate for the year 2023-24. ***The Commission hereby approves an amount of Rs.7.43 lakh (Rs.4.96 lakh+ Rs.2.47 lakh) as the A&G expenses for the year 2023-24.***

### **O&M Expenses Approved**

38. The O&M expense, which is inclusive of Employee costs, R&M expenses, and A&G expenses, approved by the Commission for the year 2023-24, is as shown in Table below:

**Table 17**  
**O&M Expenses approved for 2023-24 (Rs. lakh)**

Particulars	2023-24		
	Approved Norms	Truing up petition	Trued Up
Employee Expenses	23.98	29.79	27.46
A&G Expense	4.89	12.29	7.43
R&M Expenses	25.28	45.28	34.62
<b>Total</b>	<b>54.15</b>	<b>87.36</b>	<b>69.51</b>

39. ***The Commission hereby approves the O&M expenses of Rs.69.51 lakh for the period 2023-24 against Rs.87.36 lakh claimed in the petition.***

### **Depreciation**

40. The licensee in the petition has claimed a depreciation of Rs.47.21 lakh in the straight-line method in line with the Tariff Regulations, 2021 for the assets created using own funds at Infopark Phase I, Cherthala and Infopark Phase II, Kakkanad. The Commission while truing up the accounts for the year 2022-23 had approved a depreciation of Rs.47.21 lakh. Since the capital expenditure of Rs.4311.95 lakh at Kakkanad Phase II was met out of Government grant no depreciation has been claimed. The depreciation claimed for the year 2023-24 is shown below;

**Table 18**  
**Depreciation claimed for the year 2023-24**

Assets group	Rate of depreciation (%)	GFA beginning of the year (Rs. Lakh)	2023-24 (Rs. Lakh)
<b>Infopark Phase I, Cherthala</b>			
Other Civil works	3.34%	186.94	6.24
<b>HV Distribution System</b>			
Transformers	5.28%	180.30	9.52
Switchgears, Control gear & Protection	5.28%	288.03	15.21
Batteries	5.28%	13.45	0.71
Others	3.34%	52.70	1.76
<b>LT Distribution System</b>			
Distribution lines	5.28%	14.61	0.77
Transformers	5.28%	20.26	1.07
Switchgears, Control gear & Protection	5.28%	110.00	5.81
Batteries	5.28%	1.67	0.09
Tariff Meters	5.28%	3.38	0.18
Others	3.34%	99.97	3.34
<b>Total</b>		<b>971.31</b>	<b>44.70</b>
Land and land rights	NA	150.00	0.00
<b>Infopark Phase II, Kakkanad</b>			
EHV Substation switchgears etc	5.28%	47.61	2.51
<b>Grand Total</b>		<b>1168.92</b>	<b>47.21</b>

41. The Commission has examined the details furnished in the petition and the claim is in line with the provisions of the Tariff Regulations, 2021. The Commission hereby ***approves depreciation of Rs.47.21 lakh for the year 2023-24 as claimed by the licensee.***

### **Interest and finance charges**

42. The licensee in the petition has claimed interest and finance charges of Rs.122.91 lakh which include interest on normative loan, interest on working capital, interest on security deposit, bank charges and Carrying cost for past revenue gap. The comparison of interest and finance charges is tabulated below;

**Table 19**  
**Interest and Finance Charges for 2022-23 and 2023-24 (Rs. lakh)**

Particulars	2022-23		2023-24
	For truing up	Trued Up	For truing up
Interest on Normative Loan	50.91	48.36	53.76
Interest on working capital	2.70	2.93	3.76
Interest paid to Consumers	3.79	3.78	6.71
Bank charges	0.48	0.48	0.65
Carrying cost for past revenue gaps	40.55	41.36	58.03
<b>Total</b>	<b>98.43</b>	<b>96.91</b>	<b>122.91</b>



#### A. Interest on Normative Loan

43. The main source of fund for the capital investment at Cherthala was met from the loan availed by Infopark from South Indian Bank Ltd at a rate of 10%. The loan was sanctioned in the year 2010-11 and the entire loan availed by Infopark was repaid by 21st July 2017, using internal funds including lease rentals. As per Regulation 29(4) of Tariff Regulations 2021, the rate of interest shall be the weighted average rate calculated on the basis of the actual loan portfolio at the beginning of each financial year. Further, provided that if the regulated business of the licensee does not have actual loan, but normative loan is outstanding, then interest shall be allowed at the base rate. The interest on Normative Loan claimed by the licensee is tabulated below;

**Table 21**  
**Interest on Normative loan for 2023-24**

Particulars	Rs. lakh
Gross normative loan opening	971.31
Cumulative repayment of Normative loans upto previous year	315.23
Net Opening Normative loan	656.08
(Add) Additional normative loan	0
Opening Normative loan (A)	656.08
(Less) Allowable depreciation/ Repayment	47.21
Closing Normative Loan (B)	608.87
Average Normative Loan $[(A+B)/2]$	632.48
Rate of Interest (%)	8.5%
<b>Interest on Normative loan</b>	<b>53.76</b>

44. The Commission had taken a considered decision that the licensee is eligible to claim interest on normative loan for the value of assets created from own funds at Cherthala and Kakkanad. The Commission has examined the licensee's submission with reference to the provisions of the Regulations. As per Regulation 29(2) the normative loan outstanding as on the First day of April 2023 shall be worked out by deducting the amount of cumulative repayment as approved by the Commission up to the Thirty First day of March, 2023, from the normative loan. As per second proviso to Regulation 29 (4) of the Tariff Regulations 2021, if there is no actual loan portfolio, interest charge is to be allowed at the base rate. The base rate is 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. Based on the asset addition for the year, the normative loan is worked out as shown below.

**Table 22**  
**Normative loan approved for 2023-24**

No	Particulars	(Rs. lakh)
1	<b>Normative loan at the beginning of the year</b>	<b>703.69</b>
2	Add: Additional Normative loan on 01-04-2023	-
3	<b>Opening Normative Loan</b>	<b>703.69</b>
4	Less: Allowable Depreciation/ Repayment for the year	47.21
5	<b>Closing Normative loan for the year (3-4)</b>	<b>656.48</b>
6	Average Loan for the year (3+5)/2	680.08
	Rate of Interest (%)	9.15*
7	<b>Interest on Normative loan for the year</b>	<b>62.23</b>

\*EBLR of SBI as on 01-04-2023

45. ***Accordingly, the interest on normative loan approved by the Commission for the year 2023-24 is Rs.62.23 lakh.***

#### **B. Interest on security deposits and Bank charges**

46. The licensee has claimed an amount of Rs.6.71 lakh as the interest on security deposit and Rs.0.65 lakh towards bank charges for the year 2023-24. A comparison of the interest on security deposit and bank charges over the years is tabulated below;

**Table 23**  
**Details of Interest on security deposits and Bank charges claimed by licensee**  
**(Rs. Lakh)**

Particulars	2021-22	2022-23	2023-24
	Claimed and Trued Up	Claimed and Trued Up	Truing Up
Interest paid to Consumers	4.08	3.78	6.71
Bank charges	0.98	0.48	0.65
<b>Total</b>	<b>5.06</b>	<b>4.26</b>	<b>7.36</b>

47. The claim of interest on security deposit and bank charges are higher than the previous year. The licensee has stated that the increase in interest rate is due to the increase in consumer strength compared to the previous year. ***The Commission examined the submission and approves Rs.7.36 lakh as claimed by the licensee towards the Interest on security deposits and Bank charges.***

#### **C. Interest on working Capital**

48. The licensee has claimed an amount of Rs.3.76 lakh as interest on working capital for the year 2023-24. The claim made by the licensee is tabulated below;

**Table 24**  
**Details of Interest on working capital (Rs. lakh)**

Particulars	2023-24
O&M expenses - 1 month	7.47
Maintenance Spares - 1 month average	0.00
Receivables for Two months of ERC	175.92
Less: Security Deposits (Cash)	137.88
Total Working Capital	45.53
Interest Rate (MCLR+2%) *	8.25%
Interest on Working Capital	3.76

49. As per the Tariff Regulations 2021, Regulation 32 states that interest on working capital for a distribution licensee is to be computed in the following manner. The relevant portion of Regulation 32 is quoted hereunder;

*“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:-*

*.....*  
*(v) In the case of distribution business/licensee the working capital shall comprise of:-*

- I. operation and maintenance expenses for one month; plus*
- II. 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*
- III. receivables equal to the expected revenue from sale of electricity for two months at the prevailing tariff:*

*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 distribution system and consumers shall be reduced while computing the working capital requirement;*

*Provided further that for distribution business/licensees who supply electricity to their consumers on prepaid metering system, no interest on working capital shall be allowed.*

*.....*  
*(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”*

50. The licensee has worked out the interest on working capital requirement as per the provisions of the Tariff Regulations 2021, where the interest rate considered is not as per the Tariff Regulations 2021. As per the provisions of the regulations, interest rate is the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India. Based on the approved O&M expenses and

revenue from sale of power and the EBLR rate, ***the Commission approves Rs.4.83 lakh as interest on working capital for the year 2023-24 as worked out below:***

**Table 25**  
**Interest on Working capital approved for 2023-24**

Particulars	(Rs. lakh)
Approved O & M Expenses for One month (69.51/12)	5.79
Receivables-2 months Revenue from sale of power (1055.68/12 x 2)	175.95
Less: Security Deposit from Consumers	137.88
<b>Net Working Capital Requirement</b>	<b>43.86</b>
Interest Rate (%) *	11.15%
<b>Interest on Working Capital</b>	<b>4.89</b>

\* SBI 1-year EBLR – 9.15% on 01-04-2023 plus 2% thereof total 11.15%

51. ***Accordingly, the Commission hereby approves Rs.4.89 lakh as interest on working capital for the year 2023-24.***

**D. Carrying cost for past revenue gaps**

52. The Commission had in the Truing up Order 2022-23 approved Rs.853.43 lakh as the cumulative revenue gap till 2022-23. The Carrying cost of cumulative revenue gap is to be allowed considering the cost of funds actually incurred by the entity for funding the revenue gap.
53. The rate of interest to be considered for computing the carrying cost is at a rate of 6.80% per annum (the retail term deposit rate of SBI for a tenure of one year as on 01-04-2023). ***Accordingly, the carrying cost for past revenue gaps to be considered for an amount of Rs.853.43 lakh works out to Rs.58.03 lakh (Rs. 853.43 lakh \* 6.80%).***
54. ***Accordingly, the total interest and finance charges approved for the year 2023-24 is Rs.132.51 lakh*** as shown below;

**Table 26**  
**Approved Interest and Finance Charges for 2023-24 (Rs. lakh)**

Particulars	For truing up	Trued Up
Interest on Normative Loan	53.76	62.23
Interest on working capital	3.76	4.89
Interest paid to Consumers	6.71	6.71
Bank charges	0.65	0.65
Carrying cost for past revenue gaps	58.03	58.03
<b>Total</b>	<b>122.91</b>	<b>132.51</b>

## Return on Net Fixed Assets

55. The licensee in the petition for Truing up of accounts for the year 2023-24 has claimed an amount of Rs.36.08 lakh as Return on Net Fixed Assets. The licensee has reckoned 5.50% of the value of net fixed assets at the beginning of the year (Rs.656.08 lakh x 5.50%). The Commission while approving the truing up of accounts in 2022-23 had allowed RoNFA of Rs.41.30 lakh in accordance with the provisions of the Regulations.
56. As per Regulation 28 of Tariff Regulations, 2021, if the equity capital of the licensee is not clearly identifiable, the return shall be allowed at 5.50 per cent on the net fixed assets at the beginning of the financial year for such regulated business. **Accordingly, the Commission hereby approves Return on Net Fixed Assets of Rs.38.70 lakh for the year 2023-24.**

**Table 27**  
**Return on NFA approved for 2023-24**

Particulars	Rs. lakh
Opening Gross Fixed Assets (967.93+3.38+47.61)	1018.92
Opening Cumulative Depreciation (268.02+47.21)	315.23
Opening NFA	703.69
<b>Return on NFA @5.50%</b>	<b>38.70</b>

## Revenue from Sale of Power

57. The licensee in the petition has claimed an amount of Rs.1055.68 lakh as revenue for the sale of 120.00 lakh units. As per the petition, major share of revenue from sale of power is from HT I B and Industrial category. Category wise comparison of the revenue from sale of power for the years 2022-23 and 2023-24 are as shown below.

**Table 28**  
**Comparison of Revenue from Sale of Power for 2022-23 and 2023-24**

Category	2022-23			2023-24		
	Consumers	Sales Lakh units	Revenue (Rs Lakh)	Consumers	Sales Lakh units	Revenue (Rs Lakh)
Industrial	158	29.97	261.69	185	40.03	346.73
Commercial	23	8.06	84.41	19	6.55	69.88
Street lights	2	1.32	6.10	2	1.18	5.62
HT- I B & II B	4	59.23	521.84	5	72.24	633.45
<b>Total</b>	<b>187</b>	<b>98.58</b>	<b>874.03</b>	<b>211</b>	<b>120.00</b>	<b>1055.68</b>

58. The Commission while truing up the accounts for the year 2022-23 had approved a sale of 98.58 lakh units and revenue of Rs.874.03 lakh. Compared to the previous year, there is significant increase of 21.73% in the sales and 20.78 % in revenue which in turn shows signs of recovery from the general industrial

slowdown due to the Covid-19 pandemic. **Considering the increase, the Commission hereby approves the revenue from sale of power at Rs.1055.68 lakh as claimed by the licensee for the purpose of Truing Up of Accounts for the year 2023-24.**

### Wheeling Charges

59. The licensee has accounted Rs.45.98 lakh as wheeling charges from M/s Smart City. The total energy wheeled to Smart City is 74.84 lakh units during the year 2023-24. During the year 2022-23, the income from wheeling charges was Rs.36.10 lakh for wheeling 60.53 lakh units. **The Commission hereby approves the actual amount of Rs.45.98 lakh as the wheeling charge for the year 2023-24.**

### Non-Tariff Income

60. The Non-tariff income of Rs.9.24 lakh claimed by the licensee includes interest on deposits, interest on delayed payments and meter rent. It is seen that the non-tariff income has increased compared the previous year. KSEB raised concerns about an expected increase in application fees due to a rise in consumers. Infopark clarified that they have already included it under "Meter Cost/Meter Rent/Application Fee" in Form D 2.4. The split-up details of non-Tariff income are shown below.

**Table 29**  
**Comparison of Non-Tariff Income (Rs. lakh)**

Particulars	2021-22	2022-23	2023-24
	Trued Up (Rs. lakh)	Trued Up (Rs. lakh)	For truing up (Rs. lakh)
Interest on investments, fixed and call deposits and bank balances	1.00	1.38	1.74
Interest Received from others (KSEB Ltd)	1.38	1.27	3.91
Interest on delayed or deferred payment of bills	0.30	0.53	1.04
Meter Cost	0.30	0.48	0.49
Meter Installation Charge	0.26	1.00	1.51
Ele Duty Collection Charge	0.30	0.29	0.55
<b>Total</b>	<b>3.54</b>	<b>4.95</b>	<b>9.24</b>

61. **The Commission considers the claims and approves Rs.9.24 lakh as actual non-tariff income for the year 2023-24.**
62. Based on the above, the approved expenditure and revenue for the year 2023-24 after Truing Up is as shown below:

**Table 30**  
**Income and Expenditure Statement after Truing Up for 2023-24 (Rs. lakh)**

Particulars	ARR Approved	For Truing Up	Trued Up
Cost of Power Purchase	541.95	874.59	885.13
Employee cost	23.98	29.79	27.46
A&G Expense	4.89	12.29	7.43
R&M Expense	25.28	45.28	34.62
Depreciation	47.21	47.21	47.21
Interest on Normative Long-Term Loan	45.23	53.76	62.23
Interest on Consumer Deposits & Bank charges	4.71	7.36	7.36
Interest on Working Capital	0.39	3.76	4.89
Carrying cost for past revenue gaps	53.93	58.03	58.03
Return on Net Fixed Assets	38.70	36.08	38.70
<b>Aggregate Revenue Requirement</b>	<b>786.27</b>	<b>1168.15</b>	<b>1173.06</b>
Revenue from Sale of power	721.80	1055.68	1055.68
Wheeling Charges	35.29	45.98	45.98
Non-Tariff Income	2.97	9.24	9.24
<b>Total Revenue/ERC</b>	<b>760.06</b>	<b>1110.90</b>	<b>1110.90</b>
<b>Revenue Surplus / (Deficit)</b>	<b>(26.21)</b>	<b>(57.26)</b>	<b>(62.16)</b>

### Revenue Surplus/Gap for 2022-23

63. As against the ARR&ERC approved Revenue gap of Rs.26.21 lakh for the year 2023-24, the licensee for Truing Up of Accounts has claimed a Revenue gap of Rs.57.26 lakh. After examining the petition, details briefed during the hearing, the clarifications submitted, the approved Revenue (Gap)/ Surplus for the year 2023-24 after Truing Up the accounts is as shown below.

**Table 31**  
**Revenue (Gap)/ Surplus Approved for the year 2023-24 (Rs. lakh)**

Particulars	2023-24		
	ARR & ERC	For Truing Up	Trued Up
Total Expenditure	786.27	1168.15	1173.06
Total Income	760.06	1110.90	1110.90
<b>Net Surplus/(Deficit)</b>	<b>(26.21)</b>	<b>(57.26)</b>	<b>(62.16)</b>

### Orders of the Commission

64. The Commission after considering the petition filed by M/s. Infopark for Truing Up of Accounts for the year 2023-24, views presented by the licensee during the hearing and the clarifications and details provided by the licensee approves the following:

- a) Total income is Rs.1110.90 lakh***
- b) Total expenditure is Rs. 1173.06 lakh***
- c) The revenue gap for the year 2023-24 is Rs.62.16 lakh***
- d) Total cumulative revenue gap till 2023-24 will be Rs.915.59 lakh  
(Rs.853.43 lakh as opening cumulative revenue gap + current  
year revenue gap of Rs.62.16 lakh)***

65. The petition is disposed of. Ordered accordingly.

Sd/-  
**Sri. T.K Jose**  
**Chairman**

Sd/-  
**Adv. A. J. Wilson**  
**Member**

Sd/-  
**Sri. B. Pradeep**  
**Member**

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