

KERALA STATE ELECTRICITY REGULATORY COMMISSION

THIRUVANANTHAPURAM

PRESENT : Sri. K.J.Mathew, Chairman
Sri. P.Parameswaran , Member
Sri. Mathew George , Member

May 3, 2012

Petition OP No. 29/2011

In the matter of Truing up of Accounts of KDHPCL for 2010-11

Kanan Deven Hill Plantations Company Private Limited (KDHPCL)

- Petitioner

ORDER

Background

1. Kanan Devan Hills Plantations Company Private Limited (*herein after referred to as KDHPCL or licensee*) is a distribution Licensee in Munnar. M/s KDHPCL obtained the Licence for distribution through the transfer of licence from M/s Tata Tea Limited from January 2007 as per order dated 09.01.2007 of the Commission. The Commission has been approving the ARR & ERC of M/s Tata Tea Limited, the then licence holder since 2005-06, and of KDHPCL since the transfer of licence. The Commission has issued orders on truing up of accounts of the Licensee for the period from 2005-06 to 2009-10 vide Order dated 26.04.2011. The Licensee has preferred an appeal before the Hon. APTEL against the order.
2. The Licensee filed the ARR & ERC petition for the FY 2010-11 on 06.01.2010 and the Commission approved the ARR&ERC vide Order dated 15.11.2010. The truing up petition for 2010-11 of the licensee was admitted as OP No.29/2011 on 21.10.11 after rectifying the deficiency. A comparison of the Approved ARR &ERC and the actuals for 2010-11 as per the truing up filing is given below :

Approved and Actual ARR&ERC for 2010-11

Particulars	Approved	Actual
	(Rs.lakhs)	(Rs.lakhs)
Power Purchase Cost	1308.62	1372.37
Interest & Financing Charges	7.67	34.13
Depreciation	10.48	11.02
Employee Cost	58.77	80.74
R&M Expenses	10.87	12.79
A&G Expenses	6.72	32.10
Duty on Line Loss	0.00	0.09
Inspection charges	2.77	2.40
Duties	0.00	11.65
Return on Equity	5.00	0.00
Income Tax	1.70	0.00
Gross Revenue Requirements	1412.60	1557.29
Revenue from sale of power	1409.61	1522.72
Other Income	7.52	9.70
Total Revenue	1417.13	1532.42
Revenue Surplus/(Gap)	4.53	(24.87)

3. The Commission sought clarifications on the truing up petition from the licensee vide letter dated 03.11.2011. The licensee furnished the clarifications and other details vide letter dated 09.11.2011. The energy balance details were subsequently furnished on 14.11.2011. The Licensee in its letter dated 25.11.2011 sought to exclude the inspection charges Rs. 2.40 lakh included in the petition since the same was not related to the distribution business.

Hearing on the matter

4. Hearing on the truing up petition was held on 18.11.2011 at the Commission's office. In the hearing M/s.KDHPCL was represented by Shri. P. M. Srikrishnan, Executive Director and Shri. Thankavel, Manager (Finance). Shri. Srikrishnan, presented the truing up petition and furnished clarifications. Representing KSEB, Smt. Sreedevi.B, Deputy Chief Engineer furnished comments on the petition. The Board also furnished their written comments vide letter dated 16.11.2011. During the hearing, the Board raised the following issues.
- a. The Hon. Supreme Court has stayed only the demand notice issued by the Board and the Bulk Supply Tariff Order of the Commission is

still in force. Hence, the power purchase cost of the licensee may be approved at revised rates.

- b. The average realisation reported by the licensee has substantially decreased from that of the previous year. The revenue from self consumption is accounted after deducting the rebate, which is not proper.
- c. The licensee has included Section 3(1) duty as part of the expenses, which is not admissible
- d. The employee cost in respect of the top management is too high and the expenses in respect of the Estate Electricians may not be admitted in the licensee business
- e. Legal charges form 71.5% of the total A&G expenses and such huge expenditure towards unwarranted litigation may not be admitted
- f. Excess Demand charges are also not admissible
- g. Depreciation may be admitted only at CERC norms
- h. Interest and Finance Charges on the loan availed for asset transfer may be disallowed as has been done in the Truing up orders of the previous year
- i. There is a difference in the quantity of energy purchased from KSEB as per the accounts of KSEB and the details given in the petition.

The licensee forwarded its clarifications on the observations of the Board vide letter dated 25.11.2011.

Analysis and Decision of the Commission

5. The Commission considered the truing up petition of the licensee, clarifications, additional details thereon, the comments of the Board and the reply of the licensee. The analysis and the decision of the Commission on the petition is detailed below:
6. **Energy Sales** : Energy sales approved and the actuals reported by the licensee for the year 2010-11 is as follows:

Comparison of Approved and actual energy sales

Category	2010-11 (Approved)		2010-11 (Actual)	
	No.of Consumers	Sales (MU)	No.of consumers	Sales (MU)
HT Industrial	8	24.38	25	24.17
HT Commercial	5	0.84	8	1.49

Category	2010-11 (Approved)		2010-11 (Actual)	
	No.of Consumers	Sales (MU)	No.of consumers	Sales (MU)
LT I Domestic	11602	4.39	12174	5.11
LT II Colonies	8	1.25	8	1.21
LT IV Industries	35	0.27	117	0.46
LT V Agriculture	0	0	5	0.04
LT VI Non Domestic	346	0.67	747	1.00
LT VII Commercial	944	1.90	1577	2.55
Street Lights	2	0.24	44	0.23
Own consumption	1	0.00	0	0.00
Total	12951	33.94	14705	36.26

The Commission allows the actual sales shown by the licensee for the purpose of trueing up.

7. **Distribution Losses** : Based on the energy sales and energy input into the system actual distribution loss reported by the licensee is as follows:

Approved and Actual distribution loss

Particulars	Approved (MU)	Actual (MU)
Total Energy Sales	33.94	36.26
Feed Back	5.59	5.77
Distribution Loss	6.44	6.16
Gross Energy Requirement	45.97	48.19
Distribution Loss %	14.00	12.78

The Commission has approved the distribution loss of 14% for the year 2010-11, against which the actual distribution loss reported is 12.78%. The actual distribution loss is less than the approved level, which is commendable. The total energy requirement is 48.19MU and the power purchase for meeting the sales as per the accounts of the licensee is 42.42MU.

8. **Power purchase Cost** : The actual power purchase cost reported by the licensee for the FY 2010-11 is Rs.1372.37 against the approved amount of Rs.1308.62 .The Licensee has clarified that the increase in power purchase cost is due to the increase in the quantity of energy purchased during the year. The Licensee has computed power purchase cost in three parts. The tariff rate which prevailed prior to coming into force of bulk tariff wef 01.12.2007 has been applied to purchases made during April and May 2010. Tariff as per order dt.01.12.2007 is applied to purchase made from June to November 2010 and the rate as per order dt. 01.12.2010 is applied to purchase of energy made from

December 2010 to March 2011. Details of purchase cost as given by the licensee along with the truing up petition is given below:

Approved and Actual power purchase cost reported

Description	Unit	Actuals reported				Approved
		April to June 2010	July to Nov 2010	Dec to March 2011	Total	
Energy Units	MU	7.52	20.34	14.56	42.42	40.38
Rate per KWH	Rs	2.15	2.85	3.28	-	2.85
Energy charges	Rs/lakh	161.68	579.69	477.57	1,218.94	1,150.69
Normal Demand	KVA	14000	38935	26028	78963	7000
Excess Demand	KVA	1187	1106	1305	3598	500
Rate per KVA	Rs.	255	270	270		
Demand Charges	Rs/Lakh	35.70	105.12	70.28	211.10	226.80
Excess Demand charges	Rs./Lakh	4.54	4.48	5.29	14.30	16.20
Rebate	Rs./Lakh	(10.10)	(34.46)	(27.66)	(72.22)	(68.87)
Total power purchase cost	Rs./lakh	191.82	654.83	525.47	1,372.13	1,324.82

9. Though the total purchase cost as per the accounts is Rs.1372.37 lakh in Annexure A of the truing up petition it is shown as Rs.1372.13 lakh and the Commission accepts the revised figure of Rs.1372.13 lakhs. In the light of estimation of power purchase cost in three different rates by the licensee for the year, the legal position has to be made clear. The Commission has revised the BST applicable to all licensees with effect from 1-12-2007 by its order dated 26-11-2007. The rates made applicable to M/s KDHPCL were Rs.270/kVA per month as demand charges and Rs.2.85 per unit as energy charges from 1-12-2007. Prior to that the rates were Rs.255/kVA and Rs.2.15 per unit. Then the licensee filed a Writ Petition before the Hon'ble Kerala High Court against the revision of tariff and the High Court by its Judgment dated 12.3.2008 allowed the Writ Petition and set aside the revision. Consequently, the Board on 16-10-2009 filed a petition before the Commission for retrospective revision of the tariff applicable to the licensee from 1-12-2007, and the Commission issued an order on 25-5-2010 allowing the retrospective revision of the Bulk Supply Tariff applicable to the licensee from 1-12-2007. The appeal preferred by the licensee against the Order of the Commission, was dismissed by the Hon. APTEL by its order dated 28-1-2011. Hon. APTEL also directed to true up the accounts of the licensee from 2007 to 2010 considering the revision of BST. The Commission in its truing up order for the year 2005-06 to 2009-10 dated 26-4-2011 had made applicable the revised rates for the power purchase of the licensee. Against the order of the Hon. APTEL, the licensee filed an appeal

before the Hon. Supreme Court, which is under the consideration of the Supreme Court. The Licensee has clarified that there is a stay order issued by the Hon' Supreme Court on the demand notice of KSEB which covers demand raised by the Board for the months April and May 2010. Since there is no stay on the Order of the Commission, the applicable tariff has to be applied to the licensee. In the meantime the Commission vide its order dated 13-12-2010 revised the BST from 1-12-2010. Accordingly, the BST applicable to the licensee for year 2010-11 is Rs.270/kVA per month as demand charges and Rs.2.85 per unit as energy charges from 1-4-2010 to 31-11-2010 and Rs.270/kVA per month as demand charges and Rs.3.28 per unit as energy charges from 1-12-2010 to 31-3-2011. Hence, the Commission re-estimates the power purchases cost accordingly. Since the appeal against the BST order dated 26-11-2007 is before the Hon' Supreme Court and the BST order dated 13-12-2010 is before the Hon' APTEL, the estimate of power purchase cost is subject to the final judgments of APTEL and Supreme Court.

10. The Board has demanded that the demand charges on excess demand shall not be passed over to the consumers. However, the KDHPCL replied that already a petition is filed before the Commission for drawing additional feeders to facilitate enhancement of the Contract Demand. As the Licensee has already taken action to enhance their capacity and as the excess demand is due to the increase in consumption of the consumers, the Commission does not consider it necessary to deny the cost incurred by the licensee. The approved power purchase cost for 2010-11 is as shown below:

Power purchase cost approved for 2010-11

Particulars	Approved	Approved for truing up		
		April to Nov. 2010	Dec.2010 to March 2011	Total
Gross Energy billed(MU)	40.38	27.86	14.56	42.42
Energy Charges (Rs./kWh)	2.85	2.85	3.28	
Energy charges(Rs.in Lakh)	1,150.83	794.01	477.57	1,271.58
Normal Demand (kVA)		52,935	26,028	78,963
Demand charges (Rs./kVA)		270	270	
Demand charge Rs. in Lakh	226.80	142.92	70.28	213.20
Excess Demand (kVA)		2,293	1,305	3,598
Excess Demand Charges (Rs. in Lakh)	16.20	6.19	3.52	9.71
Total	1,393.69	943.13	551.37	1,494.49
Less Rebate (5%)	68.87	47.16	27.57	74.72
Total Power Purchase cost	1,324.82	895.97	523.80	1,419.77

11. Thus cost of purchase is provisionally approved as Rs.1419.77 lakhs against the Rs.1372.13 lakhs shown in the accounts. Regarding the difference in quantity of power purchased, pointed out by the Board, the licensee has confirmed in their letter dt.25.11.2011 that the net energy purchased is 42.42 MU. The Commission accepts their version and directs the licensee to reconcile the difference and to report the fact to the Commission within a month. M/s. KDHPCL may take immediate action to settle all the pending claims of KSEB at the applicable tariff as approved by the Commission, except where there is specific stay order of Hon'ble Supreme Court.

12. **Interest and financing charges:** The licensee has accounted Rs.34.13 lakh as interest and Financing charges against the approved amount of Rs.7.67 lakh. Details of Interest and Financing charges as per the accounts are as follows:

Particulars	Approved (Rs.in lakh)	Actual (Rs. in Lakh)
Interest on Security Deposit	7.67	8.34
Interest on Average working capital	0.00	25.79
Total	7.67	34.13

13. According to the licensee, in the approved ARR&ERC for the year 2010-11 interest on working capital is not included, where as in the actual accounts, Rs. 286.52 lakh is included as working capital and Rs.25.79lakhs is charged towards interest. The contention of the licensee in this regard is not acceptable. As per the accounts of the licensee, Security deposit furnished by consumers amounting to Rs.140.31 lakh is available to the licensee and interest on security deposit is admitted as an expense. The requirement of working capital of Rs.286.52 lakhs is also not reasonable. The average credit of one month's payable on power purchase bills and O&M expenses work out to about Rs.130 lakhs only. The licensee enjoys one month credit for the power purchase bills. About 70% of sales are billed on a monthly basis. Hence the working capital requirement of the licensee has to be much lower. Hence, there is no justification for charging interest on working capital of Rs.25.79 lakh. The Commission has allowed interest on working capital in the truing up for the year 2009-10. The Commission is inclined to admit the working capital requirements of the distribution business. Considering the funds available with the licensee, the Commission allows a token provision of Rs.2 lakhs as interest towards working capital.

14. The Licensee has accounted Rs.8.34 lakh being the Interest @ 6% on Security Deposits from consumers. However, the actual disbursement of interest in the accounts of the consumer is only Rs.8.22 lakhs and the same is allowed for the purpose of truing up. Thus the total interest and financing charges allowed is Rs.10.22 lakhs for 2010-11.

15. **Repair and Maintenance expenses** Actual expenses booked under Repair and Maintenance is Rs.12.79 lakh against the approved amount of Rs.10.87 lakh. According to the licensee, increase of Rs.1.92 lakh is for the painting of posts supporting HT distribution lines and miscellaneous repairs. The Commission allows the actual R&M expenses reported by the licensee for the purpose of truing up.

16. **Employee Cost** : The Licensee has accounted Rs.80.74 lakh towards employee cost against the approved amount of Rs.58.77 lakh. Split up details of the employee cost is furnished by the licensee are given below:

Particulars	Approved (Rs.lakhs)	Actual (Rs.lakhs)
Salary of Manager and ED	5.00	31.51
Other employee's salary	53.77	49.23
Total	58.77	80.74

The salary of Manager and Exe. Director constitutes about 39% of the total employee cost. As per the information provided by the licensee, the entire salary of one Manager and 25% of the salary each of the Executive Director and the Finance manager is booked under distribution business. While approving the ARR & ERC for 2010-11, the Commission was inclined in principle to allow a certain portion of the salaries of the senior management in the electricity business for which a proper study is required to establish allocation factors for assigning the cost of Managers/ED in the licensee business. The Commission cannot accept 39% of the total employee cost as salary of top management of the licensee having comparatively very low consumer strength and area of operation. Hence the Commission continue to adopt the stand taken in the previous orders and allows a provision of Rs.5 lakhs towards the share of salary to top management. Accordingly, the allowable employee costs for 2010-11 is Rs.54.23 lakh.

17. **Administration & General Expenses** : Actual expenditure reported by the licensee towards A&G Expenses is Rs. 32.10 lakh against the approved amount

of Rs.6.72 lakh. Comparison of the various expenses included under the head A&G charges is furnished below :

Comparison of A&G Expenses

Particulars	2009-10 (Actuals)	2010-11 (Approved)	2010-11 (Actuals)
Rents, Rates and Taxes	0.24	0.72	0.64
Security Arrangement	0.78	0.34	0.48
Insurance	0.49	0.04	0.14
Telephone/Telex charges	0.09	0.00	0.07
Legal charges	5.01	2.00	22.95
Bank charges on Bank Guarantee	0.26	0.00	0.61
Audit Fees	0.33	0.23	0.55
Travelling expenses	0.39	0.10	0.07
Conveyance and vehicle charges	0.87	0.01	0.14
Fees and subscription	0.45	0.34	0.50
Printing and Stationery	0.30	0.15	0.30
Computer Stationery	0.11		
Advertisement	0.41	0.30	0.29
Electricity charges	2.31	0.22	0.51
Miscellaneous expenses	13.96	2.25	4.85
Total	26.00	6.72	32.10

The major reason for increase in A&G expense is the higher legal expenses amounting to Rs. 22.95 lakh. Details of Legal Expenses as given by the licensee are as follows:

Details of Legal expenses for 2010-11

Particulars	Advocate's Fess & Expenses (Rs.lakhs)	Travelling & Stay (Rs.lakhs)	Filing Fees (Rs.lakhs)	Others (Rs.lakhs)	Total (Rs.lakhs)
Review petition 8/2010 before APTEL	1.57	0.83			2.40
Filing Fee KSERC			0.57		0.57
Miscellaneous cases	0.53			0.08	0.61
Petition TP-69 Filed by KSEB before KSERC seeking increase in Tariff of KDHP	0.62	0.09			0.71
Petition before APTEL against Tariff Order dt.25.05.2010 of KSERC	4.83	1.40	1.05		7.28
Petition filed before Supreme Court of India against the order dt.25.05.2010 of KSERC	7.85	1.15			9.00
Petition filed before APTEL against the Tariff Order dt.13.12.2010	0.92		1.02		1.94
Review Petition before KSERC –RP 20/2010	0.44				0.44
Total	16.76	3.47	2.64	0.08	22.95

18. The above details show that most of expenses were incurred in cases which do not have any benefit to the licensee as it relates to the increase in Bulk Supply Tariff, which is a pass through item. In a regulatory regime expenses which are neither beneficial to customers nor essential for running the distribution business are not to be passed on to the customers. However, the legal expenses included in the A&G expenses are now admitted with strict warning that such expenses will not be admitted in future. The licensee has included Rs.4.86 lakhs under miscellaneous expense, the details are as given below:

Particulars	Amount (Rs. Lakhs)
Provision for doubtful debts relating to Govt. Department	2.87
Fare and Batta	0.97
Training and Computer expenses	0.31
General Charges	0.71
Total	4.86

19. The Licensee should take immediate action to realise the dues receivable from Govt. Departments. Non-realisation of electricity charges especially from Govt. Departments cannot be passed on to the other ordinary consumers. Hence, Rs.2.87 lakhs towards provision for doubtful debts from Govt. departments is disallowed. The same can be allowed once it is established that it is absolutely non-recoverable. Thus the A&G expenses allowed for 2010-11 is Rs.29.23 lakh.

20. **Depreciation:** The Licensee has accounted Rs.11.02 lakh as depreciation for the year 2010-11. The licensee has stated that the depreciation is accounted as per CERC norms. Hence, the Commission allows the depreciation as per the accounts.

21. **Other Debits:** The Licensee has accounted Rs.14.14 lakh under Other Debits, and the details are given below:

Details of other debits

Particulars	Approved (Rs.lakhs)	Actual (Rs.lakhs)
Duty III	0	11.65
Duty on Line Loss	0	0.09
Periodical Inspection Charges	2.77	2.40
Total	2.77	14.14

22. As per the provisions of Kerala Electricity Duty Act and the judgments of APTEL, the Section 3(1) duty is not admissible. The duty on line loss is also relating to section 3(1) duty. The Licensee, vide letter dated 5.11.2011 has requested to ignore Rs.2.40 lakh claimed towards periodic inspection charges, as the amount does not relate to Electricity Business. Accordingly, Rs.14.14 lakh claimed under Other debits is disallowed.

23. **Net prior period credit/charges:** The licensee has written back Rs.15.38 lakh being excess depreciation provided for the years from 2007 to 2010 as per the Companies Act and accounted as prior period credit. Previous years accounts were trued up by excluding this amount. Hence, this amount need not be considered further.

24. **Return on Equity:** The licensee has not shown any equity contribution in the distribution business. In the absence of actual equity invested in the distribution business, the Commission can not allow return. As in the previous year, the Commission provisionally allows a notional return of Rs.10 lakh pending a final decision in the matter.

25. **Gross Revenue requirements:** Based on the above, the Gross revenue requirements for the year 2010-11 after truing up is as shown below:

Gross Revenue Requirements after truing up

	Approved Expenses (Rs.lakhs)	Actual expenses (Rs.lakhs)	True up (Rs.lakhs)
Power Purchase cost	1,308.62	1,372.37	1,419.77
Interest & Finance charges	7.67	34.13	10.22
Depreciation	10.48	11.02	11.02
Employee cost	58.77	80.74	54.23
R & M expenses	10.87	12.79	12.79
A & G Expenses	6.72	32.10	29.23
Others	2.77	14.14	-
Return on Equity (notional)	5.00	0 .00	10.00
Income Tax	1.70	0 .00	-
Total Expenditure	1,412.60	1,557.29	1,547.26

26. Revenue from Sale of Power: The actual revenue from sale of power reported by the licensee is Rs. 1522.72 lakh against the approved amount of Rs.1409.61 lakh. The reason furnished by the licensee for the increase in revenue is the increase in sales. The licensee has also reported that the actual realisation increased to Rs.4.20 per unit from the approved realisation of Rs.4.15 per unit. Details of energy sales are furnished below

Details of Revenue from sale of power

Category	Approved			Actual		
	Sale (MU)	Revenue (Rs.lakhs)	Average Tariff (Rs./kWh)	Sales (MU)	Revenue (Rs.lakhs)	Average Tariff (Rs./kWh)
HT Industrial	24.38	997.14	4.09	24.17	992.66	4.11
HT Commercial	0.84	41.75	4.97	1.49	72.47	4.85
LT Domestic	4.39	67.61	1.54	5.11	82.87	1.62
LT Colonies	1.25	74.25	5.94	1.21	70.27	1.62
LT Industries	0.27	11.64	4.31	0.46	17.04	3.73
LT Agriculture	-	-	-	0.04	0.29	0.66
LT Non Domestic	0.67	53.00	7.91	1.00	63.79	6.40
LT Commercial	1.90	155.04	8.16	2.55	213.41	8.36
Street Light	0.24	9.18	3.83	0.23	9.93	4.36
Own Consumption	-	-	-	-	-	-
Total	33.94	1,409.61	4.15	36.26	1,522.72	4.20

27. The Licensee has stated that the revenue from own consumption of electricity is computed at normal tariff and allowed 5% rebate. The Hon'ble APTEL has ordered to account the own consumption of the Licensee at par with other consumers of the licensee. Hence 5% rebate given by the licensee for own consumption cannot be justified and revenue for the FY 2010-11 is to be increased to that extent. The revenue booked for own consumption vide letter dt 09.11.2011 is Rs.722.68 lakhs. Revenue from own consumption without 5% rebate will be Rs.760.72 lakh. Thus, the Total revenue from sale of power is taken as Rs.1560.76 lakhs for the purpose of truing up.

28. Other Income: The Licensee has accounted Rs.9.70 lakh towards other income as detailed below:

Power theft	1.35
Interest receivable on KDHP's deposit with KSEB	6.05
Miscellaneous recoveries	2.30
Total	9.70

Total Revenue of the Licensee including other income for the FY 2010-11 is thus Rs.1570.46 lakh.

29. **Revenue Surplus/(gap) for 2010-11:** The revenue gap/surplus after the truing up process is as shown below:

Summary of ARR&ERC for 2010-11 after truing up

	Approved Expenses (Rs.lakhs)	Actual expenses (Rs.lakhs)	True up (Rs.lakhs)
Power Purchase cost	1,308.62	1,372.37	1,419.77
Interest & Finance charges	7.67	34.13	10.22
Depreciation	10.48	11.02	11.02
Employee cost	58.77	80.74	54.23
R & M expenses	10.87	12.79	12.79
A & G Expenses	6.72	32.10	29.23
Others	2.77	14.14	-
Return on Equity (Notional)	5.00	-	10.00
Income Tax	1.70	0.00	-
Total Expenditure	1,412.60	1,557.29	1,547.26
Revenue from Sale of Power	1,409.61	1,522.72	1,560.76
Non- Tariff Income	7.52	9.70	9.70
Total Revenue	1,417.13	1,532.42	1,570.46
Revenue Surplus/(gap)	4.53	(24.87)	23.20

30. Based on the above, the revenue surplus after truing up process is Rs.23.20 lakhs. The Commission had arrived at a revenue surplus of Rs.622.43 lakhs for the period 2005-06 to 2009-10 after the truing up of accounts. Thus, the total surplus amounts to Rs.645.63 lakhs.

Orders of the Commission

a) The revenue surplus after truing up for the year 2010-11 is Rs.23.20 lakhs. Orders issued by the Commission, in paragraph 24 of the truing up Order of 26.04.2011, on keeping and utilisation of the revenue surplus will be applicable to the revenue surplus arrived at as per this order also.

- b) The difference in quantity of energy purchased from KSEBoard, as pointed out in para 9, should be reconciled and the result reported to the Commission within one month from the date of this order.
- c) The licensee shall initiate action for recovery of dues from the consumers including Government departments immediately and the progress to be reported to the Commission periodically.
- d) M/s KDHPCL shall take immediate action to settle all pending claims of KSEB towards power purchase cost at the applicable tariff as approved by the Commission, except where there is specific stay orders by the Hon'ble Supreme Court.

This order is subject to the decision of the Appeal pending before the Hon. APTEL and the Hon. Supreme Court. The petition is disposed of and ordered accordingly.

Sd/-

**P. Parameswaran
Member**

Sd/-

**Mathew George
Member**

Sd/-

**K.J. Mathew
Chairman**

Approved for Issue

Secretary