



**Table 1**  
**RPIL - Summary of Truing up application for 2014-15** (Rs. lakh)

Particulars	Proposed in ARR	Approved in ARR	Claimed in Truing up	Variation over approval
Total Energy Sales (MU)	28.58	28.58	23.70	<b>-4.88</b>
Distribution loss (MU)	0.73	0.58	0.51	<b>-0.07</b>
Gross energy (MU)	29.29	29.16	24.21	<b>-4.95</b>
Distribution Loss in %	2.50%	2.00%	2.12%	
<b>Expenditure</b>				
Purchase of Power	1569.69	1563.73	1274.30	-289.43
R&M Expenses	70.24	26.04	29.52	3.48
Employee costs	29.48	27.21	36.59	9.38
A & G expenses	26.04	17.74	22.54	4.80
Depreciation	34.26	34.26	43.70	9.44
Interest & Finance charges	0.00	0.00	0.00	0.00
Other debits	0.00	0.00	0.00	0.00
Return on Equity	91.52	10.00	26.74	16.74
<b>Total expenses</b>	<b>1821.23</b>	<b>1678.98</b>	<b>1433.39</b>	<b>-245.59</b>
<b>Revenue</b>				
Revenue from sale of power	1542.14	1556.43	1400.68	-155.75
Non-Tariff Income	13.86	13.86	14.67	0.81
<b>Total Revenue</b>	<b>1556.00</b>	<b>1570.29</b>	<b>1415.35</b>	<b>-154.94</b>
<b>Revenue Surplus/(Gap)</b>	<b>-265.23</b>	<b>-108.69</b>	<b>-18.04</b>	<b>90.65</b>

Note: As per the audited accounts submitted by the licensee, the revenue from sale of power is shown as Rs.1401.99 lakh and the non tariff income is shown as Rs.15.03 lakh.

### Hearing on the application

- Hearing on the application for truing up of accounts of the licensee for the year 2014-15 was held on 27-01-2016 at the Court Room, Office of the Commission, Thiruvananthapuram. During the hearing, representatives of RPIL and KSEB Ltd were present. RPIL was represented by Sri.J.Krishna Kumar, MD, Rubber Park India (P) Ltd and Sri.Anees.T.M, Resident Engineer, Rubber Park India (P) Ltd. Sri. Anees.T.M presented the details of the application and also submitted the

counter statements to the comments of KSEB Ltd on the application for truing up of accounts for the year 2014-15 and responded to the queries of the Commission.

5. Sri. B.Pradeep, Deputy Chief Engineer, KSEB Ltd. presented the remarks/ observations of KSEB Ltd. and submitted the same in writing, which is summarized below:

- (i) T&D Loss claimed by the licensee is 2.07% as against the approved level of 2.00%. It was requested that the cost incurred for additional power procurement due to higher distribution loss may be disallowed.
- (ii) It was submitted that all expenses have increased from the approved level for the year 2014-15 except that of power purchase cost, which has decreased by Rs.289.43 lakh KSEB Ltd. requested that Commission may look into the prudence of the claim made by the licensee under the various heads of expenditure before approving the same.
- (iii) With regard to "Employee cost", it was submitted that the licensee had claimed Rs.36.59 lakh vide the application, which was 34.47% higher than that of the approved amount for 2014-15. It was also submitted that Rs.11.17 lakh had been claimed towards salary to "Chief Engineers/or equivalent", which was neither claimed in the ARR application nor approved in the ARR order. Hence, the employee cost claimed by the licensee is not justified and KSEB Ltd requested that only the prudent expenditure may be allowed.
- (iv) Under Administration and General Expenses, the licensee had claimed Rs.4.79 lakh towards security arrangements and Rs 4.07 lakh towards legal charges. It was requested that Commission may look into the prudence of the claims.
- (v) Depreciation – It was submitted that the licensee had claimed depreciation of Rs.8.38 lakh for "Other" assets worth Rs.177.98 lakh without providing proper details of the claim and Rs. 0.57 lakh for "miscellaneous equipments". KSEB requested the Commission not to approve the same.
- (vi) As per the application on truing up, the consumption reduced to 23.71 MU from the approved level of 28.58 MU and the revenue from sale of

energy was Rs.1401.99 lakh as compared to the approved level of Rs.1556.43 lakh.

- (vii) Return on Equity – It was requested that the Commission may allow RoE as was done in the previous years.

During the hearing, the Commission directed the licensee to submit the following additional details.

- a) Copy of cash flow statement for the year 2014-15
- b) Copy of the asset register and details of the vintage of the assets.
- c) Details of the employee cost and the methodology followed in the apportionment of employee cost (including the salary towards CMD).
- d) Month wise details of the marginal cost collected and paid to KSEB Ltd.

The licensee submitted the required details within the time specified by the Commission.

### Analysis and Decision of the Commission

6. The Commission considered the application of the licensee for truing up of accounts for the year 2014-15, the clarifications and the additional details submitted by the licensee thereon along with the observations of KSEB Ltd. The analysis and decisions of the Commission on the application for truing up of accounts for the year 2014-15 are detailed below:
7. **Sale of energy:** The sale of energy reported by the licensee as per the application for truing up of accounts for the year 2014-15 is as follows.

**Table 2**  
**RPIL - Number of consumers and Sale of power for 2014-15**

Category	(ARR Order)		Application for truing up	
	No. of consumers	Sales (MU)	No. of consumers	Sales (MU)
HT Consumers	16	26.94	16	21.95
LT IV Consumers	15	1.38	17	1.58
LT VI B			1	0.04
LT VI C	1	0.01	1	0.01
LT VII A			45	0.11
Public Lighting			1	0.02
Temporary	10	0.06		
RP Utilities	1	0.19		
Total	43	28.58	81	23.70

A comparison on the number of consumers and actual sale of power over the years are tabulated hereunder.

**Table 3**  
**RPIL - Number of consumers and Sale of power for 2011-12, 2012-13 & 2013-14**

Category	2011-12		2012-13		2013-14	
	No. of consumers	Sales (MU)	No. of consumers	Sales (MU)	No. of consumers	Sales (MU)
HT Consumers	12	17.27	14	21.11	15	22.71
LT Consumers	11	0.91	13	0.99	15	1.08
Temporary Connections	19	0.09	16	0.08		
Rubber Park Utilities	1	0.23	1	0.18	24	0.21
Total	43	18.49	44	22.36	54	24.00

8. As per the application on truing up, the licensee has sold a total energy of 23.70 MU to various categories of consumers for the year 2014-15 as against an approved sale of 28.58 MU. The licensee has stated that the major reason for the lesser energy sale was due to the lesser consumption of M/s HLL Life Care Limited. i.e., during the year 2014-15, the contract demand of M/s HLL Life Care limited was reduced to 1000 kVA from 2000 kV. The Commission approves the actual energy sales as reported by the licensee for the truing up of accounts for the year 2014-15.

**9. Energy Input and Distribution Loss:**

As per the details submitted in the application for truing up, the licensee had purchased 24.21 MU from KSEB Ltd and distributed 23.70 MU, incurring a distribution loss of 2.12%, as against the approved loss level of 2.00%. It was mentioned by the licensee that the main reason for the distribution loss of the licensee is on account of the excess transformation capacity in the distribution system and the licensee has taken measures to reduced the distribution loss to 2.12% from the actual levels of 3.6% of the previous year.

The details are given below.

**Table 4**  
**RPIL - Energy Requirement and Distribution Loss**

Particulars	ARR Approved	Truing up
Total Energy sales (MU)	28.58	23.70
Distribution loss(MU)	0.58	0.51
Total Energy Requirement (MU)	29.16	24.21
Distribution loss	2.00%	2.12%

10. While appreciating the efforts put in by the licensee to bring down the transmission loss, the Commission notes that taking into consideration the limited geographical area of operation and the consumer mix, the licensee is capable of attaining the targets fixed by the Commission if the licensee take appropriate and efficient procedures and steps for the same. Hence, the Commission approves the distribution loss as 2.00%, as approved in the order on ARR and ERC for the year 2014-15. Accordingly, the quantum of power purchase approved in the process of truing up is detailed below.

**Table - 5**  
**RPIL- Energy Requirement and Distribution Loss**

Particulars	ARR		Trued up	
	Proposed	Approved	Claimed	Approved
Total Energy sales (MU)	28.58	28.58	23.70	23.70
Distribution loss(%)	2.50%	2.00%	2.12%	2.00%
Distribution loss(MU)	0.73	0.58	0.51	0.48
Total Energy Requirement (MU)	29.29	29.16	24.21	24.18

**Cost of Power Purchase:**

11. The details of power purchase by the licensee from KSEB Ltd is given below.

**Table – 6**  
**RPIL – Cost of Power Purchase**

Energy Purchase (MU)	24.21
Maximum Demand(KVA)	5082
Contract Demand(KVA)	4500
Demand Charges (Rs./KVA)	300
Demand charges (Rs in lakh)	168.39
Excess Demand (Rs in lakh)	4.19
<b>Total Demand charges (Rs in lakh)</b>	<b>172.59</b>
Energy Charges (Rs./kWh)	4.55
<b>Total energy Charges (Rs.in lakh)</b>	<b>1101.71</b>
<b>Cost of power purchase</b>	<b>1274.30</b>

12. As per the truing up application filed by the licensee, the total cost of power purchase for the year 2014-15 is Rs.1274.30 lakh for procuring 24.21 MU from M/s KSEB Ltd. The month-wise details of the power purchased by the licensee from KSEB Ltd are tabulated hereunder.

**Table – 7**  
**RPIL – Month-wise details of the power purchased**

Month	Quantity (MU)	Billing Demand (KWA/MVA)	Demand Charge (Rs. Cr)	Energy Charge (Rs. Cr)	Total (Rs. Cr)	Avg. cost of power purchase (Rs/ kWh)
Apr-14	1.94	4587.00	0.14	0.88	1.02	5.26
May-14	2.26	4976.00	0.16	1.03	1.18	5.22
Jun-14	2.28	4648.00	0.14	1.04	1.18	5.18
Jul-14	2.37	4860.00	0.15	1.08	1.23	5.19
Aug-14	2.32	5082.00	0.16	1.06	1.22	5.26
Sep-14	2.14	4933.00	0.15	0.97	1.13	5.28
Oct-14	2.08	4873.00	0.15	0.95	1.10	5.29
Nov-14	1.78	4836.00	0.15	0.81	0.96	5.39
Dec-14	1.68	4452.00	0.13	0.77	0.90	5.36
Jan-15	1.80	4345.00	0.13	0.82	0.95	5.28
Feb-15	1.78	4215.00	0.13	0.81	0.94	5.28
Mar-15	1.79	4326.00	0.13	0.81	0.94	5.25
Total	24.21		1.73	11.02	12.74	5.26

13. As detailed above, the licensee has purchased 24.21 MU from KSEB Ltd during the year 2014-15, at an average cost of Rs 5.26/unit.
14. However since the licensee failed in attaining the target distribution loss fixed as per the ARR Order, the Commission approves only 24.18 MU as the total quantum of power purchase for the year 2014-15 as against the actual power purchase of 24.21 MU, i.e., the approved quantum is less by 0.03 MU than the actual claimed. Thus the Commission hereby approves only Rs.1271.87 lakh as the cost of power purchase for procuring 24.18MU @ Rs 5.26/unit, after deducting the cost of 0.03 MU at the average power purchase cost of Rs 5.26/unit. The details are given below.

**Table - 8**  
**RPIL – Net Power Purchase Cost approved**

Quantum of power purchase approved at the T&D loss level of 2.00% (in MU)	24.18
Average cost of power purchase (Rs/ unit)	5.26
Net power purchase approved in the process of truing up (Rs Lakh)	1271.87

15. **Interest and financing charges:** The licensee has not booked any amount under interest and financing charges for the truing up of accounts for the year 2014-15.

16. **Depreciation: -**

In the application for truing up, the licensee has claimed Rs.43.70 lakh as depreciation as against Rs 34.26 lakh approved vide the order dated 22-04-2014 on ARR&ERC of the licensee for the year 2014-15. The licensee has claimed depreciation of Rs.8.38 lakh on 'others' for a GFA worth Rs.228 lakh under the head. The depreciation booked by the licensee as per accounts for the year 2014-15 is detailed below:

**Table – 9**  
**RPIL – Depreciation claimed for the year 2014-15**

Particulars	Gross Fixed Assets	Depreciation (Rs. Lakh)	Depreciation rate
	(Rs. Lakh)		
Land & Rights	26.85		
Transmission lines	99.00	5.23	5.28%
Substations	419.79	22.16	5.28%
11kV Works	108.05	5.71	5.28%
LT Lines	30.38	1.60	5.27%
Metering Equipment	0.20	0.01	5.00%
Service connections	0.28	0.01	3.57%
Misc equipment	10.88	0.57	5.24%
Others	228.00	8.38	3.68%
<b>Total</b>	<b>923.43</b>	<b>43.68</b>	<b>4.73%</b>

17. The details of 'Others' included under Fixed Asset are given below:

**Table – 10**  
**RPIL – Split up details on depreciation claimed under 'Others' for the year 2014-15**

Particulars	Amount Rs. Lakh	Depreciation %	Depreciation (Rs. Lakh)
Leasehold land	27.00		0.00
Building	148.00	3.34	4.95
Plant and machinery	7.00	5.28	0.37
Electronic equipment	18.00	5.28	0.96
Office equipment	0	6.33	0.01
Computers	4.00	15.00	0.53
Furniture and fittings	25.00	6.33	1.56
<b>Total</b>	<b>228.00</b>		<b>8.38</b>



The licensee has not made any asset addition during the year 2014-15. The Commission approves depreciation on the value of Gross Fixed Assets exists at the beginning of the year 2014-15 at the CERC rates applicable for the period 2004-09. The details of approved depreciation are tabulated below.

**Table – 11**  
**RPIL - Approved Depreciation for 2014-15**

Particulars	Gross Fixed Assets	Depreciation (Rs. Lakh)	Rate of Depreciation (Rs. Lakh)
	(Rs. Lakh) at the beginning of the year		
Transmission lines	99.00	2.53	2.56%
Substations	419.79	15.11	3.60%
11kV Works	108.05	3.89	3.60%
LT Lines	30.38	1.09	3.60%
Metering Equipment	0.20	0.01	3.60%
Service connections	0.28	0.01	3.60%
Misc equipment	10.88	0.39	3.60%
Others	228.00	8.38	3.68%
<b>Total</b>	<b>896.58</b>	<b>31.41</b>	

The Commission approves Rs.31.41 lakh as depreciation, in the process of truing up of accounts for the year 2014-15. The details are given below.

**Table - 12**  
**RPIL – Depreciation allowed in truing up of accounts for 2014-15 (Rs.Lakh)**

Particulars	ARR		Truing up	
	Projected	Approved	Claimed	Trued up
Depreciation	34.26	34.26	43.70	31.41

**18. Employee Cost:**

Vide order dated 22-04-2014 on ARR&ERC of M/s RPIL for the year 2014-15, the Commission had provisionally approved the employee cost at Rs 27.21 lakh. In the application for truing up, the licensee had booked an amount of Rs.36.59 lakh as employee cost for carrying out the distribution business. The licensee has stated that the increase in employee cost was due to the DA hike of 23% during the year 2014-15. The details of the employee cost claimed by the licensee are as below:

**Table – 13**  
**RPIL – Details of Employees – 2014-15**

Particulars	Designation	Sanctioned	Working	Cost (Rs lakh)
CMD (Part)	Managing Director	1	1	0.9
Executive (Part)	Manager – Technical	2	1(full)	11.17
Resident Engineer	Resident Engineer	1	1	5.41
Tech. Staff	Assistant Resident Engineer & Electrician	2	2	4.96
Non Tech Staff	Company Secretary, Accounts Officer & Asst. Manager (Admn)	2	2 (part) & 1 (full)	12.88
Staff welfare expenses				1.26
<b>Total</b>		<b>8</b>	<b>8</b>	<b>36.59</b>

For the year 2013-14, the Commission had approved an increase of 8.55% (weighted average increase of WPI and CPI in the ratio of 30:70) over the employee cost approved for the year 2012-13. Accordingly, the Commission had approved the employee cost of Rs.24.78 lakh for the year 2013-14. For the year 2014-15, the Commission adopts the same methodology and approves an increase of 7.43% (weighted average increase of WPI and CPI in the ratio of 30:70) over the employee cost approved for the year 2013-14. The employee cost approved for the year 2014-15 is Rs.26.62 lakh.

**Table - 14**  
**RPIL – Employee Cost Approved in truing up for 2014-15 (Rs. Lakh)**

Particulars	ARR		Truing up	
	Projected	Approved	Claimed	Trued Up
Employee cost	29.48	27.21	36.59	26.62

19. **Repairs and Maintenance Charges:** The amount booked by the licensee for R&M expenses in the truing application is higher than that approved in the order on ARR&ERC for the year 2014-15. The Commission had approved an amount of Rs.26.04 lakh as R&M cost for the year 2014-15. The actual amount claimed by the licensee is Rs.29.52 lakh for the repair and maintenance of transmission lines, substations, 11 kv lines & associated works, LT line service etc. Out of Rs.29.52 lakh, Rs.22.35 lakh is for operating the substation and the balance represents the spares and consumables used in the substation. According to the licensee, the increase in the R&M expenses was due to the unavoidable expenditure incurred for maintaining the distribution system. The comparison of

the approved R&M expense and the actual booked by the licensee is detailed below:

**Table – 15**

**RPIL – ARR Approved and Actual R&M Expenses – 2014-15 ( Rs. Lakh)**

Particulars	2014-15	2014-15
	ARR Approved	Claimed
Substations	22.44	22.35
11Kv lines and associated works	1.00	2.96
Vehicles	1.60	2.46
Others	1.00	1.75
<b>Total</b>	<b>26.04</b>	<b>29.52</b>

For the year 2013-14, Commission approved the amount mentioned in the ARR Order of 2013-14. For the current year 2014-15, considering the weighted average increase of WPI and CPI in the ratio of 30:70 the increase should have been 7.43% of the amount approved over the last year which comes to Rs.25.42 lakh. The Commission therefore approves for the year 2014-15 an amount of Rs. 25.42 lakh under repairs & maintenance expenditure head.

**Table – 16**

**RPIL – Details of R&M expenses approved in truing up of accounts for 2014-15 ( Rs. Lakh)**

Particulars	ARR		Truing up	
	Projected	Approved	Claimed	Trued Up
<b>R&amp;M cost</b>	70.24	26.04	29.52	25.42

**20. Administration and General Expenses**

While approving the ARR, the Commission had approved Rs.17.74 lakh as A&G expenses. The A&G expenses booked by the licensee in the truing up application for 2014-15 is 22.54 lakh. The licensee had incurred higher amounts for security charges and insurance than that approved by the Commission.

21. The actual A&G expenses approved for the year 2013-14 was Rs 17.12 lakh after considering , an increase of 8.55% (weighted average increase of WPI and CPI in the ratio of 30:70) over the A&G expenses approved for the year 2012-13. With the same methodology, the Commission approves the A&G expenses for the year 2014-15 after considering the increase of 7.43% (weighted average on WPI and CPI in the ratio of 30:70) and approves a total amount of Rs.18.39 lakh as A&G expenses for the year 2014-15.

**Table - 17**  
**RPIL – Details of A&G expenses approved in truing up of accounts for 2014-15**  
**( Rs.Lakh)**

Particulars	ARR		Truing up	
	Projected	Approved	Claimed	Trued Up
<b>A&amp;G expenses</b>	26.04	17.74	22.54	18.39

**22. Return on Equity:**

The licensee had projected Rs.91.52 lakh towards Return on Equity in ARR & ERC for FY 2014-15. This amount projected was 14% on the 30% of the net fixed assets. The Commission had been consistently allowing a provisional amount of Rs. 10.00 Lakh as RoE in the previous years. In the truing up application, the return on equity claimed is Rs. 28.26 lakh, which is 14% on the 30% of the Net fixed asset of Rs. 672.79 lakh. In the absence of any convincing reasons to substantiate a higher return, the Commission approves only Rs 10.00 lakh as RoE.

**23. Total Revenue Requirements:** The total expenses approved after truing up of accounts for the year 2013-14 is as given below:

**Table - 18**  
**RPIL - Approved expenses for 2014-15 (Rs. Lakh)**

Particulars	ARR		Truing Up	
	Projected	Approved	Claimed	Trued Up
Purchase of Power	1569.69	1563.73	1274.30	1271.87
R&M Expenses	70.24	26.04	29.52	25.42
Employee costs	29.48	27.21	36.59	26.62
A & G expenses	26.04	17.74	22.54	18.39
Depreciation	34.26	34.26	43.70	31.41
Interest & Finance charges	0.00	0.00	0.00	0.00
Other debits	0.00	0.00	0.00	0.00
Return on Equity	91.52	10.00	26.74	10.00
<b>Total expenses</b>	<b>1821.23</b>	<b>1678.98</b>	<b>1433.39</b>	<b>1383.71</b>

**24. Revenue from Sale of Power:** In the initial application submitted, the licensee had claimed total revenue from sale for power of Rs.1400.68 lakh. However, as per the audited accounts, the revenue from the sale of power was Rs. 1401.99 lakh. The details are given below:

**Table - 19**  
**RPIL - Revenue from Sale of Power for 2014-15**

Particulars	ARR Approved			Truing Up Claimed		
	Energy Sales (MU)	Revenue in Rs. Lakh	Avg. realization (Rs/kWh)	Energy Sales (MU)	Revenue in Rs. Lakh	Avg. realization (Rs/kWh)
HT Consumers	26.94	1463.52	5.43	21.95	1306.58	5.95
LT IV Consumers	1.48	80.19	5.42	1.58	93.61	5.73
LT VI B	0.03	2.39	7.98	0.04	2.81	7.84
LT VI C	0.01	0.82	8.20	0.01	0.93	9.55
LT VII A	0.07	7.74	11.06	0.11	11.02	10.47
Public lighting	0.06	1.66	2.77	0.02	0.53	3.51
<b>Total</b>	<b>28.59</b>	<b>1556.32</b>		<b>23.71</b>	<b>1415.48</b>	
Recovery of electricity duty		34.64			36.78	
Wheeling charges		0.08			0.21	
Misc. charges from consumers, penalty, marginal cost, meter		0.03			0.65	
<b>Gross Revenue</b>		<b>1591.07</b>			<b>1453.11</b>	
<i>Less Electricity Duty payable</i>		<i>34.64</i>			<i>35.47</i>	
<i>Other state levies</i>					<i>15.65</i>	
<b>Net Revenue from Sale of Power</b>		<b>1556.43</b>			<b>1401.99</b>	

25. The Commission had verified the month wise details of the demand raised from the HT consumers, and LT IV Industrial consumers. There was no discrepancy in the demand raised and accounted by the licensee under revenue from sale of power collected and accounted.
26. However, the licensee had deducted Rs 15.65 lakh under 'other State levies payable'. On verification, it is found that, this amount pertains to the section-3 duty payable to the State Government under section-3 of the Kerala Electricity Duty Act, 1963. The Commission has been taking a consistent stand that, the section 3 duty cannot be approved as expenses considering the provisions under subsection (3) of the Section (3) of the Kerala Electricity Duty Act, 1963 which clearly specifies that, the section-3 duty cannot be passed on to the consumers. The licensee is hereby directed to state clearly its claim for electricity duty, instead of using ambiguous terms such as other state levies payable.

Accordingly, the revenue from sale of power approved for the year 2014-15 is detailed below.

**Table - 20**  
**RPIL - Revenue from Sale of Power approved for 2014-15**

Particulars	Truing Up Claimed			Truing Up- Approval		
	Energy Sales (MU)	Revenue in Rs. Lakh	Avg. realisation (Rs/kWh)	Energy Sales (MU)	Revenue in Rs. Lakh	Avg. realisation (Rs/kWh)
HT Consumers	21.95	1306.58	5.95	21.95	1306.58	5.95
LT IV Consumers	1.58	93.61	5.73	1.58	93.61	5.73
LT VI B	0.04	2.81	7.84	0.04	2.81	7.84
LT VI C	0.01	0.93	9.55	0.01	0.93	9.55
LT VII A	0.11	11.02	10.47	0.11	11.02	10.47
Public lighting	0.02	0.53	3.51	0.02	0.53	3.51
<b>Total</b>	<b>23.71</b>	<b>1415.48</b>		<b>23.71</b>	<b>1415.48</b>	
Recovery of electricity duty		36.78			36.78	
Wheeling charges		0.21			0.21	
Misc. charges from consumers, penalty, marginal cost, meter		0.65			0.65	
<b>Gross Revenue</b>		<b>1453.11</b>			<b>1453.12</b>	
<i>Less Electricity Duty payable</i>		35.47			35.47	
<i>Other state levies</i>		15.65				
<b>Net Revenue from Sale of Power</b>		<b>1401.99</b>			<b>1417.65</b>	

27. **Non Tariff Income:** The non-tariff income accounted by the licensee as per the initial application submitted was Rs 14.67 lakh as against the approved amount of Rs 13.86 lakh for the year 2014-15. The licensee revised the non-tariff income to Rs.15.03 lakh in the revised document. The details of the non-tariff income as per the revised document submitted are shown below.

**Table - 21**  
**RPIL- Non tariff income 2014-15**

Particulars	2014-15 ARR		2014-15 Truing up
	Projected	Approved	Claimed
Interest on Bank Fixed Deposits	13.11	13.11	12.73
Misce. Recoveries	0.75	0.75	2.29
<b>Total</b>	<b>13.86</b>	<b>13.86</b>	<b>15.03</b>

The Commission approves the non-tariff income of Rs.15.03 lakh as claimed by the Licensee for the truing up of accounts for the year 2014-15.

28. **Revenue Surplus/(gap) for 2014-15:** The revenue surplus arrived at by the Commission after the truing up process is Rs.52.09 lakh as against the revenue gap of Rs.16.37 lakh as per the audited accounts for the truing up of accounts for the year 2014-15. The details are given below.

**Table- 22**  
**RPIL - Approved Revenue Surplus for 2014-15**

Particulars	ARR		Trued up	
	Projected	Approved	Claimed	Approved
Purchase of Power	1569.69	1563.73	1274.3	1271.87
R&M Expenses	70.24	26.04	29.52	25.42
Employee costs	29.48	27.21	36.59	26.62
A & G expenses	26.04	17.74	22.54	18.39
Depreciation	34.26	34.26	43.7	31.41
Interest & Finance charges	0	0	0	0.00
Other debits	0	0	0	0.00
Return on Equity	91.52	10	26.74	10.00
<b>Total Expense</b>	<b>1821.23</b>	<b>1678.98</b>	<b>1433.39</b>	<b>1383.71</b>
Revenue from sale of power	1542.14	1556.43	1401.99	1417.65
Non Tariff income	13.86	13.86	15.03	15.03
<b>Total Revenue</b>	<b>1556</b>	<b>1570.29</b>	<b>1417.02</b>	<b>1432.68</b>
<b>Surplus/ (Gap)</b>	<b>-265.23</b>	<b>-108.69</b>	<b>-16.37</b>	<b>48.97</b>

29. As detailed above, the revenue surplus arrived by the Commission in the process of truing-up of accounts of RPIL for the year 2014-15 is Rs 48.97 lakh as against the claimed revenue gap of Rs 16.37 lakh in the application for truing up. The net accumulated revenue gap approved up to the year 2013-14 is Rs 51.53 lakh. Thus, the net accumulated revenue gap up to the year 2014-15 is Rs 2.56 lakh.

**Orders of the Commission**

30. The Commission, after considering the application filed by the licensee for the truing up of accounts for the year 2014-15, the objections raised by M/s KSEB Ltd and the clarifications and details submitted by the licensee hereby approves

a total expenditure of Rs.1383.71 lakh, total revenue of Rs.1432.68 lakh and a revenue surplus of Rs.48.97 lakh. The net revenue gap after the truing up of accounts till the year 2014-15 is Rs. 2.56 lakh.

31. The application is disposed off accordingly.

**Sd/-**

**K.Vikraman Nair**  
**Member**

**Sd/-**

**S.Venugopal**  
**Member**

**Sd/-**

**T.M.Manoharan**  
**Chairman**

Approved for issue

**Sd/-**

**Santhosh Kumar.K.B**  
**Secretary**