

Suo-motu determination of tariff for the financial Year 2016-17

KERALA STATE ELECTRICITY REGULATORY COMMISSION

Legal background

- Section –62 and Section-64 of the Electricity Act 2003, deal with determination of tariff.
 - As per section-64 of the Electricity Act-2003, KSEB Ltd has to make an application for determination of tariff under section-62 of the Electricity Act-2003, in such manner and accompanied by such fee, as may be determined by regulations.
- Under Section-61 of the Electricity Act-2003, the Commission vide the notification No. 787/ SEA/ 2011/ KSERC dated 14th November 2014 has published the KSERC (Terms and Conditions for determination of Tariff) Regulations, 2014 [Tariff Regulations 2014].

Provisions in the Tariff Regulation 2014

- Tariff Regulation 2014,
 - Specifies the technical and financial norms for determination of tariff applicable to Strategic Business Units (SBUs) of KSEB Ltd, including Generation, Transmission and Distribution.
 - Also specify the principles, procedures, methodology and time lines for filing ARR & ERC of each licensee in the State including KSEB Ltd.
 - Also specifies the normative values for determination of various components of ARR & Tariff applicable to the first control period 2015-16 to 2017-18.
 - As per the Regulation 11(1), the application for approval of ARR and determination of tariff for the first year of the first control period 2015-16 to 2017-18 should be filed before the Commission on or before 31-12-'14.
 - Regulation 11(2) stipulate that, during the subsequent years, the application for approval of the revised ARR, if any, for the ensuing financial year and determination of tariff for the ensuing financial year shall be filed, on or before 30th November of every subsequent financial year.

First and Second Transfer Scheme under section 131 of the E-Act-03, re-organising the erstwhile KSEB

- As per the First Transfer Scheme issued by the Government vide the GO (Ms) 37/2008/PD dated 25-9-2008, the assets, liabilities, rights, interests of the erstwhile KSEB stood transferred to and vested in Government.
- As per the second transfer scheme issued vide G.O (P) No. 46/2013/PD dated 31-10-2013, the assets, liabilities, rights, interests of the erstwhile KSEB which were vested in the Government as per First Transfer Scheme, were re-vested in the three Strategic Business Units (SBUs) namely, SBU-G, SBU-T and SBU-D under a Government company namely, KSEB Ltd.
- As per the second transfer scheme, the above SBUs shall under take the functions of the generating company, STU and the distribution licensee.
- Sub-clause (viii) of clause 3 of the Second Transfer Scheme stipulates as follows,-
Within the provisional period of one year from the date of re-vesting, the accounts of three SBUs will be segregated by the transferee so as to facilitate the evaluation of financial performance of these units. Separate balance sheet will be prepared for the three SBUs and suitable transfer pricing mechanism between the SBUs shall be worked out by the transferee taking into consideration the financial soundness of the three SBUs.
- As per the section 31(2), first proviso to section 39(1) and third proviso to section 41 of the Act, the SBU-T and SBU-D shall function independent of each other.

Writ petition WP 465/2015(G)

- KSEB Ltd has filed Writ Petition against the Tariff Regulations, 2014 before the Hon'ble High Court of Kerala.
- Hon'ble High Court vide the interim order dated 7-1-2015 has ordered that,
'the tariff petition if any submitted by the petitioner KSEB Ltd shall not be rejected on the basis of Tariff Regulations, 2014'
- The Tariff Regulation, 2014 repeals earlier regulations issued by the Commission for determination of tariff.

ARR &ERC filed by KSEB Ltd for the year 2015-16

- KSEB Ltd has filed the application of approval of ARR&ERC for the year 2015-16 before the Commission on 30-03-2015.
 - Single year application, exclusively for the year 2015-16.
 - Composite ARR, without segregating the accounts of SBU-G, SBU-T and SBU-D.
 - Not prepared and filed according to the relevant provisions of the Tariff Regulation, 2014.
 - Didnot file proposals for determination of tariff.
- There is no stay on the implementation of the Tariff Regulations, 2014 in the State.
- Commission sought clarification from the Hon'ble High Court on implementation of the interim order dated 7-1-2015.
- Duly complying the interim order of the Hon'ble High Court dated 07-01-2015, the Commission has not rejected the application, However, the Commission could not process the application for want of clarification from the Hon'ble High Court.

Details of the latest Tariff orders issued in the FY 2014-15 and its extension till 31-03-2016

- The Commission vide the orders dated 14-08-2014, 25-09-2014 and 30-09-2014 in OP No. 9/2014 has determined the retail supply tariff (RST), bulk supply tariff (BST) and transmission charges, wheeling charges etc for the year 2014-15 (valid up to 31-03-2015).
- The Commission had, in view of the pendency of the order of the Hon'ble High Court dated 7-1-2015, extended the validity of the said orders till 31-03-2016, vide the orders detailed below.

Particulars	Date of order	Period of extension
Tariff order in OP No.9/2014	14.08.2014	16.08.2014 to 31.03.2015
	25.03.2015	01.04.2015 to 30.09.2015
	25.09.2015	01.10.2015 to 31.12.2015
	14.12.2015	01.01.2016 to 31.03.2016
BST order in OP No. 9/2014	25.09.2014	16.08.2014 to 31.03.2015
	25.03.2015	01.04.2015 to 30.09.2015
	25.09.2015	01.10.2015 to 31.12.2015
	14.12.2015	01.01.2016 to 31.03.2016
Transmission charges, wheeling charges, open access charges	30.09.2014	16.08.2014 to 31.03.2015
	25.03.2015	01.04.2015 to 30.09.2015
	25.09.2015	01.10.2015 to 31.12.2015
	14.12.2015	01.01.2016 to 31.03.2016

Reasons for initiating suo-motu tariff revision..

- KSEB Ltd has not filed the application for approval of ARR for the year 2016-17, 2017-18 and determination of tariff for the year 2016-17, till date.
 - Though as per the section-64 of the Electricity Act-2003 and Regulation 11(2) of the Tariff regulations, 2014, KSEB Ltd has to file the same before the Commission on or before 30th November-2015.
 - The Commission vide the letter dated 31-03-2016 communicated to the KSEB Ltd that, the validity of the tariff orders dated 14-08-2014, 25-09-2014 and 30-09-2014 expires on 31-03-2016 and to take appropriate action.
 - However, KSEB Ltd has not filed any proper application for determination of tariff.

Provisions in the National Tariff Policy 2016

- Paragraph 8.1.7 of the National Tariff Policy 2016 notified by the Central Government stipulate as follows.

“7)Appropriate Commissions should initiate tariff determination and regulatory scrutiny on a suomoto basis in case the licensee does not initiate filings in time. It is desirable that requisite tariff changes come into effect from the date of commencement of each financial year and any gap on account of delay in filing should be on account of licensee.”.

Judgment of Hon'ble APTEL dated 11-11-2011 in OP No. 1/2011

- *Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.*
- *It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year. For example, the ARR & tariff for the financial year 2011-12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*
- *In the event of delay in filing of the ARR, true-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.*
- *In determination of ARR/tariff, the revenue gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.*
- *Truing up should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should be carried out along with the ARR and tariff determination for the financial year 2011-12.*

Initiation of suo-motu determination of tariff for the year 2016-17

- In exercise of the powers conferred on the Commission under Section 61, Section 62 and Section 64 of the Electricity Act, 2003, read with the provisions of Tariff Regulations, 2014, and other powers enabling it in this behalf and in compliance of the order dated 11.11.2011 of the Hon'ble APTEL in OP No. 1/2011, proposes to determine the tariff on suo-motu, in accordance with the principles and procedures as specified in the Tariff Regulations, 2014.

Energy demand

Year	Energy demand		Remarks
	(MU)	(%) increase over previous	
2010-11	17337		Actuals
2011-12	18946	9.28	
2012-13	19880	4.93	
2013-14	20525	3.24	
2014-15	21572	5.10	
2015-16	22680	5.14	
CAGR		5.52	
2016-17	23814	5.00	Projection
2017-18	25005	5.00	

T&D loss reduction target..

Year	T&D loss (%)	(%) reduction over previous year	Remarks
2010-11	16.09		
2011-12	15.65	0.44	Actuals reported
2012-13	15.30	0.35	
2013-14	14.96	0.34	
2014-15	14.58	0.38	
2015-16	14.28	0.30	
2016-17	13.98	0.30	Target proposed
2017-18	13.73	0.25	

Annual Energy Sale

Year	Energy sale		Remarks
	(MU)	(%) increase over previous	
2010-11	14548		Actuals
2011-12	15981	9.85	
2012-13	16838	5.36	
2013-14	17454	3.66	
2014-15	18426	5.57	
2015-16	19440	5.51	
CAGR		5.97	
2016-17	20484	5.37	Projection
2017-18	21571	5.31	

Category wise energy sale

Category	2009-10	2010-11	2011-12	2012-13	2013-14	CAGR	2014-15	2015-16	2016-17	2017-18
LT Category										
Domestic	6559.0	6877.8	7705.9	8313.4	8739.5	6.4	9298.8	9880.0	10477.8	11106.4
Commercial	1793.0	1951.7	2141.2	2224.1	2229.3	7.0	2385.4	2540.4	2705.6	2881.4
Industrial	1064.0	1053.5	1097.0	1102.0	1096.6	1.7	1115.2	1134.2	1152.3	1170.7
Agricultural	257.0	231.6	286.2	306.1	310.2	5.0	325.8	342.0	358.8	376.4
Street Lights	303.0	265.7	294.3	313.2	319.1	5.0	335.0	351.8	369.0	387.1
Sub total LT	9976.0	10380.3	11524.6	12258.7	12694.7		13460.2	14248.4	15063.4	15922.1
HT category										
HT I Industrial	1450.0	1516.0	1595.7	1683.0	1770.7	3.0	1823.8	1878.5	1932.6	1980.9
HT II	117.0	101.7	115.8	125.5	131.9	2.0	134.5	137.2	139.8	142.5
HT IIB	0.1	0.1	0.1				0.0	0.0	0.0	0.0
HTIII -Agriculture	8.0	8.0	8.1	8.4	7.6	2.0	7.7	7.9	8.0	8.2
HT IV- Commercial	693.0	756.2	866.6	870.8	881.5	8.0	952.0	1028.2	1109.4	1197.1
EHT 66/110/220 KV	1149.0	1181.1	1243.1	1217.6	1243.9	2.5	1274.9	1306.8	1338.2	1370.3
Railway Traction	165.0	156.4	154.5	173.7	200.7	8.0	216.7	234.1	252.6	267.7
Bulk Supply	413.0	448.1	472.1	500.8	523.2	7.0	559.8	599.0	639.7	683.8
Sub total HT	3995.1	4167.6	4456.0	4579.6	4759.3		4969.5	5191.7	5420.3	5650.5
Total	13971.1	14547.9	15980.5	16838.2	17454.0		18429.7	19440.1	20483.8	21572.6

Revenue at existing tariff

Category	2016-17		2017-18	
	Energy sale	Revenue at existing tariff	Energy sale	Revenue at existing tariff
	(MU)	(Rs.Cr)	(MU)	(Rs.Cr)
LT Category				
Domestic	10477.77	3939.64	11106.44	4176.02
Commercial	2705.57	2245.63	2881.44	2391.59
Industrial	1152.31	686.77	1170.74	697.76
Agricultural	358.80	85.75	376.38	89.95
Street Lights	369.00	138.38	387.08	145.16
Sub total LT	15063.45	7096.17	15922.08	7500.49
HT category				
HT I Industrial	1932.61	1178.89	1980.93	1208.37
HT II Non Industrial Non Commercial	139.81	132.82	142.47	135.35
HTIII -Agriculture	8.01	3.85	8.17	3.92
HT IV- Commercial	1109.43	998.49	1197.08	1089.34
EHT 66/110/220 KV	1338.18	756.07	1370.30	774.22
Railway Traction	252.58	145.23	267.73	153.95
Bulk Supply	639.68	379.33	683.82	395.25
Sub total HT	5420.32	3594.69	5650.50	3760.39
Total	20483.77	10690.87	21572.57	11260.88

Non tariff income

	2016-17	2017-18
	(Rs. Cr)	(Rs. Cr)
Meter rent	93	95
Testing fee, penalty etc, meter box etc	70	72
Interest from banks	60	60
Rebate	98	100
Income from sale of scrap	40	42
Miscellaneous receipt	70	70
Total	431	439

Cost of generation and power purchase for the year 2016-17 & 2017-18

Sl No	Particulars	2015-16			2016-17			2017-18		
		Quantity	Amount	Avg. Rate	Quantity	Amount	Avg. Rate	Quantity	Amount	Avg. Rate
		(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs/ kWh)	(MU)	(Rs. Cr)	(Rs/ kWh)
1	Hydel	6640.0			7000.00			7000.00		
2	BDPP+KDPP	152.9	127.4	8.34						
3	CGS	11042.0	3735.3	3.4	11050.00	3801.20	3.44	11050.00	3867.50	3.50
4	RGCCPP	138.9	316.7	22.81					0.00	
5	BSES		42.0							
5	IPP- wind and SHPs	142.4	45.3	3.18	142.00	45.87	3.23	142.00	45.87	3.23
6	UI	688.5	135.6	1.97						
7	IEX+ PXIL	650.3	274.0	4.21						
8	Traders	3225.1	1393.8	4.32	5622.58	2298.04	4.09	6814.56	2668.64	3.92
9	Transmission charges ¹		530.6			555.23			516.56	
	Total	22680.0	6600.8		23814.58	6700.33		25006.56	7098.57	

¹ Inter-state transmission charges payable to PGCIL

Generation & Power purchase

- Hydel generation- 7000 MU
- CGS
 - Capacity allocation- 1470 MW
 - Annual energy availability at Kerala periphery
 - 11050 MU for the year 2016-17 & 2017-18
 - Average cost excluding transmission charges
 - Rs 3.44 /unit for the year 2016-17 and
 - Rs 3.50/unit for the year 2017-18
- Small IPPs (Wind, SHPs etc)- 142 MU
- BDPP, KDPP, RGCCPP- nil
- PGCIL transmission charges- Rs 0.37/unit

Energy availability from traders

	Capacity contracted (MW)	Daily Energy availability (MU/day)	2016-17			2017-18		
			Quantity (MU)	Rate (Rs/kWh)	Amount (Rs. Cr)	Quantity (MU)	Rate (Rs/kWh)	Amount (Rs. Cr)
PTC ¹	300	5.94	325.91	5.43	176.97			
Traders								
Case-1 MTOA ²	397	5.72	1806.41	4.50	812.89			
Maithon-1	150	2.97	975.05	3.73	363.70	1083.39	404.11	3.73
Maithon-2	122	2.41	673.90	3.73	251.36	881.16	328.67	3.73
DVC	100	1.98	722.26	4.11	296.85	722.26	296.85	4.11
Jindal	165	3.27	992.57	3.60	357.32			
DBFOO	315	6.23		3.83	0.00	2275.13	871.37	3.83
Short term	200	4.08	126.48	3.08	38.96	224.22	69.06	3.08
DBFOO	550	10.88		4.29	0.00	1628.39	698.58	4.29
Total			5622.58		2298.04	6814.56	2668.64	

¹ Contract with PTC for procuring 300MW RTC power expire by 31-5-2016

² PTC-100 MW, NVVL 297 MW, contract expired by February 2017

**O&M norms for existing generating stations of generation business of
KSEB Limited**

Particulars (Rs. Crore)	FY 2015-16	FY 2016-17	FY 2017-18
Employee expenses	45.01	47.65	50.43
Repair & maintenance expenses	18.73	19.83	20.99
Administrative & general expenses	4.34	4.59	4.86
Total	68.08	72.07	76.28

**O&M norms for the transmission business of KSEB Limited and
transmission licensee**

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
O&M expenses per bay (Rs. lakh)	5.23	5.54	5.86
O&M expenses per ckt km (Rs. lakh)	0.58	0.61	0.65

Explanation: The O&M expenses for any year of the control period shall be allowed by multiplying the O&M norms for that year with the actual number of bays and transmission line length in ckt km for the previous year, i.e., the O&M expenses for FY 2015-16 shall be allowed by multiplying the O&M norms for FY 2015-16 with the actual number of bays and transmission line length in ckt km for FY 2014-15.

Number of bays and line length of SBU-T

Year	Bays (Nos)	Line (Ckt-km)
2010-11	1994	9047
2011-12	2016	9048
2012-13	2028	9107
2013-14	2056	9139
2014-15	2085	9267
2015-16	2114	9396
2016-17	2144	9528
2017-18	2174	9661

Normative O&M cost- SBU-T

Particulars	2016-17	2017-18
O&M expenses Transmission (Rs.Cr)	176.89	190.18

Table 1: O&M norms for distribution business of KSEB Limited

O&M Expenses	FY 2015-16	FY 2016-17	FY 2017-18
Employee expenses			
Rs lakh/'000 consumers	2.40	2.54	2.69
Rs. lakh/distribution transformer	0.33	0.35	0.37
Rs. lakh per km of HT line	0.40	0.42	0.44
Rs/unit of sales	0.10	0.11	0.11
A&G expenses			
Rs Lakh/'000 consumers	0.21	0.22	0.23
Rs. lakh/distribution transformer	0.03	0.03	0.03
Rs. lakh per km of HT line	0.03	0.04	0.04
Rs/unit of sales	0.01	0.01	0.01
R&M expenses			
% of opening GFA	3%	3%	3%

Explanation: The O&M expenses for any year of the control period shall be allowed by multiplying the O&M norms for that year with the actual number of consumers, distribution transformers, km of HT line and sales for the previous year, i.e., the O&M expenses for FY 2015-16 shall be allowed by multiplying the O&M norms for FY 2015-16 with the actual number of consumers, distribution transformers, km of HT line and sales for FY 2014-15.

Growth of distribution parameters

Year	No.of consumers	Dist.transf ormers	HT Line length	Sales	Remarks
	(Nos)	(Nos)	(km)	(MU)	
2008-09	9363461	46359	41283	12414	Actuals
2009-10	9743476	52149	44682	13971	
2010-11	10127946	57954	48342	14548	
2011-12	10457637	62329	51328	15981	
2012-13	10806890	64972	52907	16838	
2013-14	11192890	68172	56641	17454	
CAGR	3.63%	8.02%	6.53%	7.05%	
2014-15	11542890	70172	60340	18426	Projection
2015-16	11892890	72172	64280	19440	
2016-17	12242890	74372	68477	20484	
2017-18	12592890	76572	72949	21571	
CAGR from 2014-15 to 2017-18	2.94%	2.95%	6.53%	5.39%	

Normative employee cost (Rs. Cr)

Particulars	2016-17	2017-18
Based on number of consumer	310.97	338.75
Based on Dist transformer	260.30	283.32
Based on HT line	287.60	320.98
Based on energy sale	225.32	237.28
Total	1084.20	1180.32

Normative A&G expenses (Rs.Cr)

A&G expenses (Rs.Cr)	2016-17	2017-18
Based on number of consumer	26.93	28.96
Based on Dist transformer	22.31	22.97
Based on HT line	27.39	29.18
Based on energy sale	20.48	21.57
Total	97.12	102.69

Estimation of GFA at the beginning of the years 2016-17 and 2017-18 for estimating R&M cost

	Amount (Rs.Cr)	
GFA of distribution as on 31-10-2013 (Rs. Cr)	5403.00	
Additions		
2013-14 (42% of 519) from 01-11-2013 to 31-03-2014	217.98	Total GFA addition- Rs 519 cr
GFA as on 31-03-2014 (Rs. Cr)	5620.98	
GFA addition 2014-15 (42% 1128)	473.76	Total GFA addition- Rs 1128 cr
GFA as on 31-03-2015 (Rs. Cr)	6094.74	
GFA addition during the year 2015-16 (42% of Rs 1000.00 cr)	420.00	Assuming GFA addition during the year 2015-16 as Rs 1000 cr
GFA as on 31-03-2016	6514.74	Assuming GFA addition as Rs 1000 cr
GFA addition during the year 2016-17 (42% of Rs 1000.00 cr)	420.00	Assuming GFA addition during the year 2016-17 as Rs 1000 cr
GFA as on 31-03-2017	6934.74	

Normative R&M cost for the years 2016-17 & 2017-18

	2016-17	2017-18
GFA (dist) at the beginning of the year (Rs. Cr)	6514.74	6934.74
R&M expense- norm	3% of opening GFA	
R&M expense (Rs.Cr)	195.44	208.04

Summary of O&M cost for SBU-D

Total O&M expense - distribution	2016-17	2017-18
Employee cost (Rs.Cr)	1084.20	1180.32
A&G expense (Rs. Cr)	97.12	102.69
R&M expense (Rs. Cr)	195.44	208.04
Total (Rs. Cr)	1376.76	1491.04

Summary of the normative O&M cost allowable for
KSEB Ltd (Rs. Cr)

	2016-17	2017-18
Generation	72.07	76.28
Transmission	176.89	190.18
Distribution	1376.76	1491.04
Total	1625.72	1757.50

Interest & Finance charges

Sl No	Particulars	2016-17	2017-18	Remarks
		(Rs. Cr)	(Rs. Cr)	
1	Interest for long term capital liabilities (taken as Rs 4200 Cr as on 01-04-2016) @11%	462.00	462.00	Interest for additional borrowings for the years 2016-17 and 2017-18 are not considered
2	Interest on security deposit	171.60	185.20	Outstanding security deposits- Rs 2145 cr as on 01-04-2016 and Rs 2315 cr as on 01-04-2017
3	Interest on GPF @8.75%	131.25	140.00	Outstanding GPF as on 01-04-2016 - Rs 1500.00 cr, as on 01-04-2017 - Rs 1600.00 cr, interest @8.75%
4	Others	10.00	10.00	
	Interest on bonds issued to Master trust	814.00	814.00	Vide the G.O(P) No. 2/2015/ PD dated 28th Jan 2015, KSEB L bond - Rs 8144 crore @10% interest
	Total interest and finance charges (Rs.Cr)	1588.85	1611.20	

Estimate of the summary of the ARR&ERC of KSEB Ltd for the year 2016-17 & 2017-18

Particulars	2016-17	2017-18	Remarks
	(Rs. Cr)	(Rs. Cr)	
Power Purchase	6700.33	7098.57	
Interest & Finance charges	1588.85	1611.20	Including interest on bonds issued to master trust
Depreciation	414.80	414.80	At the same level approved by the Commission for the year 2014-15
O&M expenses	1625.72	1757.50	
RoE	217.42	217.42	ROE @14% of original Government equity of Rs 1553 cr
Total ARR	10547.12	11099.49	
Less Non tariff Income	431.00	439.00	
Net ARR	10116.12	10660.49	
Revenue from Tariff	10690.87	11260.88	
Revenue surplus	574.74	600.39	

Assumptions for segregation of expenses among SBU-G, SBU-T and SBU-D

Sl No	Particulars	SBU-G	SBU-T	SBU-D
1	Depreciation	Opening GFA	Opening GFA	Opening GFA excluding Consumer contribution
2	RoE			
3	Interest & Finance charges			
	(i) Interest on outstanding capital liabilities	Opening NFA	Opening NFA	Opening NFA
	(ii) Interest on security deposit	Nil	Nil	100% SBU-D
	(iii) Interest on GPF and interest on bond	Employee ratio among each SBU		
		5.15% of total	10.70% of total	84.15% of total
4	Cost of Power Purchase	Nil	Nil	100% SBU-D
5	O&M costs	As per norms		

Function wise allocation of ARR of KSEB Ltd among SBU-G, SBU-T and SBU-D

Particulars	2016-17				2017-18			
	SBU-G	SBU-T	SBU-D	Total	SBU-G	SBU-T	SBU-D	Total
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Power Purchase			6700.33	6700.33			7098.57	7098.57
Interest & Finance charges	177.85	256.49	1154.51	1588.85	178.30	257.43	1175.47	1611.20
Depreciation	172.43	184.25	58.12	414.80	172.43	184.25	58.12	414.80
O&M expenses	72.07	176.89	1376.76	1625.72	76.28	190.18	1491.04	1757.50
RoE	90.38	96.57	30.47	217.42	90.38	96.57	30.47	217.42
Total ARR	512.73	714.20	9320.20	10547.12	517.39	728.43	9853.68	11099.49
Less Non tariff Income			431.00	431.00			439.00	439.00
Net ARR	512.73	714.20	8889.20	10116.12	517.39	728.43	9414.68	10660.49
Revenue from Tariff				10690.87				11260.88
Revenue surplus				574.74				600.39

Summary of the application for truing up for the FY 2011-12

Particulars	KSERC	KSEB	Variation
	(Order)	As per Accounts	(-) decrease/ (+) increase
	(Rs. Cr)	(Rs. Cr)	(Rs. Cr)
Generation Of Power	264.58	281.65	17.07
Purchase of power	3660.67	4375.31	714.64
Interest & Finance Charges	265.26	340.52	75.26
Depreciation	548.37	466	-82.37
Employee Cost	1582.11	1903.33	321.22
Repair & Maintenance	185	251.7	66.7
Administration & General Expenses	85.74	202.72	116.98
Other Expenses	12	73.22	61.22
Gross Expenditure (A)	6603.73	7894.45	1290.72
Less : Expenses Capitalized	116.32	126.61	10.29
Less : Interest Capitalized	33.87	30.51	-3.36
Net Expenditure (B)	6453.54	7737.33	1283.79
Statutory Surplus/ Roe (C)	100	240.72	140.72
ARR (D) = (B) + (C)	6553.54	7978.05	1424.51
Less Non-Tariff Income	390.36	450.86	60.5
Less : Revenue from Tariff			
(a) With in the State	5234.56	5526.39	291.83
(b) Outside the State	0	66.63	66.63
Revenue from subsidies and grants	0	0.04	0.04
Total Income	5624.92	6043.92	419
Revenue Gap	928.62	1934.13	1005.51

Summary of the application for truing up for the FY 2012-13

Particulars	KSERC	KSEB	Variation
	(Order)	As per Accounts	(-) decrease/ (+) increase
Generation Of Power	193.15	564.99	371.84
Purchase of power	5008.49	7199.61	2191.12
Interest & Finance Charges	370.19	580.53	210.34
Depreciation	414.62	509.31	94.69
Employee Cost	1663.66	2103.03	439.37
Repair & Maintenance	195.95	251.55	55.6
Administration & General Expenses	86.11	202.43	116.32
Other Expenses	18.5	272.73	254.23
Gross Expenditure (A)	7950.67	11684.18	3733.51
Less : Expenses Capitalized	134.6	150.74	16.14
Less : Interest Capitalized	47.09	116.06	68.97
Net Expenditure (B)	7768.98	11417.38	3648.4
Statutory Surplus/ Roe (C)	217.42	240.72	23.3
ARR (D) = (B) + (C)	7986.4	11658.1	3671.7
Less Non-Tariff Income	386.14	435.82	49.68
Less : Revenue from Tariff	5711.1	7223.39	1512.29
Total Income	6097.24	7659.21	1561.97
Revenue Gap	1889.16	3998.89	2109.73

Summary

- Commission may consider the revenue surplus/gap, if any, determined in the process of truing up of accounts of KSEB Ltd for the previous years, while determining the tariff for the year 2016-17.
- The Commission will take appropriate decision on the determination of tariff for the year 2016-17, after finalising the revenue surplus/ gap for the year 2016-17 and adjusting the same against the revenue surplus/gap, if any determined in the process of truing up of accounts of KSEB Ltd for the previous years.
- A provisional tariff will be published by the Commission based on the net surplus/gap, so approved, and finalised after duly considering the objections and suggestions of the consumers and other stakeholders.

THANKS