

Truing Up Petition For the Year 2022-23

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

C.V.Raman Pillai Road,Vellayambalam,Thiruvananthapuram-695010

Filing No.

Case No.

IN THE MATTER OF: Truing up of income and expenditure of M/s Rubber Park India
Private Ltd, Ernakulam for the year 2022-23.

And

IN THE MATTER OF:
Rubber Park India Private Ltd, Valayanchirangara, Ernakulam.

Applicant

Managing Director.
Rubber Park India Private Ltd,
Ernakulam-683556

Truing Up Petition For the Year 2022-23

AFFIDAVIT VERIFYING THE APPLICATION ACCOMPANYING FILING OF TRUING UP PETITION FOR THE YEAR 2022-23

I, **George V James**, S/o Late **V M James** aged 60 years residing at **Vadakkumparambil House, Nandanath Kochacko Road, Thammanam, Ernakulam-682032**, Kerala do solemnly affirm and state as follows:

1. I am Managing Director of Rubber Park India (P) Ltd, 2A, Kautileeyam, Valayanchirangara-683556, Ernakulam District, Kerala State and the petitioner in the above matter and I am duly authorized by the company to make this affidavit on its behalf. I solemnly affirm at Perumbavoor on this 24th day of November, 2023 that
 - (i) The contents of the above petition are true to my information, knowledge and belief. I believe that no part of it is false and no material has been concealed there from.
 - (ii) The statements made in paragraphs of the accompanying application herein now shown to me are true to my knowledge and are derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

Deponent

Managing Director,
Rubber Park India Private Ltd,
Ernakulam-683556

VERIFICATION

I, the above-named deponent solemnly affirms at Perumbavoor on this, the 24th day of November, 2023 that the contents of the affidavit are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed there from.

Deponent

Solemnly affirmed and signed before me.

Managing Director.
Rubber Park India Private Ltd,
Ernakulam-683556

Advocate and Notary

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BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of: Truing up of Revenue and Expenditure of M/S Rubber Park India (P) Ltd for the year 2022-23

Applicant: M/s.Rubber Park India (P) Ltd, 2A Kauteeliyam,
Valayanchirangara,
Ernakulam -683556.

The Applicant humbly submits the following details for the favorable consideration of the Hon. Commission.

1. INTRODUCTION

1.1 M/s. Rubber Park India (P) Ltd, Ernakulam had filed the petition for the approval of ARR & ERC for the control period from 2022-23 to 2026-27 as per the KSERC MYT Regulation 2021 in the Multi Year Tariff Framework on 15-02-2022 before the Hon. Commission. In the ARR & ERC petition, Rubber Park had proposed an Aggregate Revenue Requirement (ARR) of Rs. 2206.41 Lakhs, Expected Revenue from Charges (ERC) of Rs. 2171.67 Lakhs and Revenue Gap of Rs. 34.74 Lakhs as Deficit for the year 2022-23. The Hon. Commission have revised the schedule of tariff and terms and conditions for retail supply of electricity by Kerala state electricity board limited and all other licensees with effect from 26.06.2022 vide the order dated 25.06.2022 in OP No. 11/2022. As directed by the Hon. Commission, RPIPL revised the ARR & ERC petition effecting the revised tariff schedule and resubmitted on 23.12.2022. The proposed Aggregate Revenue Requirement (ARR) is revised as Rs. 2424.19 Lakhs, Expected Revenue from Charges (ERC) as Rs. 2285.53 Lakhs and Revenue Gap as Rs. 138.66 Lakhs for the year 2022-23 as per the resubmitted ARR&ERC petition incorporating the tariff revision. The public hearing of the ARR & ERC petition was conducted by the Hon. Commission on 13.02.2023 and reserved for orders.

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- 1.2 The company had completed the statutory audit for the year 2022-23 and submitted the audited accounts and the reports to the Comptroller & Auditor General (C&AG) of India. The C&AG has not selected the accounts for audit for the FY 2022-23e and a non-review certificate issued to us. A copy of the statutory audit report is enclosed with this application as **Annexure-1** for the kind perusal of the Hon. Commission.
- 1.3 The truing up application of the licensee for the year 2022-23 is prepared based on the separate audited accounts of the power distribution business of the company.
- 1.4 The projected value and actual value of the revenue and expenditure of RPIPL as per the audited accounts of the distribution business and the deviation from the projected ARR for the year 2022-23 is detailed in the table below.

Rs. in Lakhs

Sl. No.	Particulars	Projected	Approved	Actual	Deviation (Actual – Approved)
1	Purchase of power	2078.11	-	1953.81	
2	Employee Cost	89.21		77.35	
3	R & M Expenses	45.09	-	60.74	
4	A & G Expenses	56.45		55.87	
5	Depreciation	35.04	-	30.06	
6	Interest & Fin Charges/ bank Charges	0.93	-	0.94	
7	Interest on normative loan	55.47	-	61.59	
8	ROE	46.72	-	46.23	
9	Tax on ROE	17.15	-	12.35	
10	Total Expenditure	2424.17	-	2298.94	
11	Revenue from sale of Power	2281.40	-	2226.11	
12	Wheeling Charges and Other Income	4.13	-	19.32	
13	Total Income	2285.53	-	2245.43	
14	Revenue surplus (+) / gap (-)	(-) 138.66	-	(-) 53.51	

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2. SALE OF POWER

Rubber Park had estimated an energy sale of 33.146 MU for the FY 2022-23 in the ARR & ERC petition. The projection was done on the basis of the trend analysis of the energy sales of the past 5 years to the HT consumers. The actual energy sale during the year 2022-23 including the open access sales was 32.03 MU, which is less than the energy sales estimated for the year in the ARR & ERC Petition. The actual energy sales during the FY 2021-22 was 33.08 MU. The energy projection for the FY 2022-23 was estimated based on the actual energy sales during the FY 2021-22. The recession in the international market have affected many of the export-oriented rubber industries and accordingly the energy sales to the consumers dropped from the last year sales. The category wise energy sale during the year 2022-23 is tabulated below.

Sl. No.	Tariff Category	Energy sales Proposed (MU)	Energy sales Actual (MU)
1	LT IV A	2.537	2.396
2	LT VI B	0.007	0.019
3	LT VI F	0.093	0.126
4	LT VIIA	0.267	0.025
5	LT VIII B	0.031	0.021
6	HT-1A	29.864	28.928
7	Total	32.799	31.515
8	Open Access KSEB Ltd (M/s. M Fuel)	0.347	0.51
9	Total Energy Sales	33.146	32.028

3. PURCHASE OF POWER:

Rubber Park had estimated a purchase of 33.79 MU of energy at a cost of Rs. 2078.11 lakhs for the year 2022-23 in the ARR & ERC Petition. The actual energy sales during the FY 2022-23 was less than the estimated energy sales in the ARR & ERC petition. As such, the actual energy purchase during the FY 2022-23 was also decreased compared to the power purchase projected

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in the ARR & ERC petition. The company had incurred an actual power purchase cost of Rs. 1953.81 Lakhs against a total energy purchase of 32.503 MU during the FY 2022-23.

The comparison of the power purchase cost projected in the ARR & ERC petition and the actual incurred by the RPIPL during the FY 2022-23 is detailed as below.

Sl. No.	Particulars	Projected in ARR (MU)	Actual (MU)
1	Energy purchase (MU)	33.79	32.503

Sl. No.	Particulars	Projected in ARR (Rs. in Lakhs)	Actual (Rs. in Lakhs)
1	Demand Charges (Rs in Lakhs)	297.94	274.84
2	Energy Charges (Rs in Lakhs)	1780.17	1678.98
Total (Rs in Lakhs)		2078.11	1953.81

4. AGGREGATE TECHNICAL AND COMMERCIAL (A T & C) LOSSES:

The distribution loss approved by the Hon. Commission for the last control period 2018-22 was 1.9%. RPIPL had projected a distribution loss of 1.9% in the ARR & ERC petition. The actual distribution loss recorded during the FY 2022-23 was 1.5%.

Energy Input (including Wheeled)	Energy Sales (including Wheeled)	Distribution Loss	
		Percent	MWh
32.503	32.028	1.5	0.48

As per the Regulation 73 (3) (ii) of the MYT Regulations 2021, 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 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.

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As such, the savings in power purchase cost eligible by RPIPL for the year 2021-22 is detailed below.

1	Actual Energy sales (lakh units)	32.028
2	Approved/Projected Distribution loss (%)	1.90%
3	Power purchase unit required from KSEB Ltd at approved distribution loss (lakh units) $(32.028/98.10*100)$	32.648
4	Actual Power Purchase Units (lakh units)	32.503
5	Efficiency Gain (lakh units (3-4))	0.145
6	Efficiency gain at average power purchase cost (Rs. lakh) $(1.45 \text{ lakh units} \times \text{Rs.}6.11/\text{unit})$	8.8595
7	Efficiency gains to be retained by licensee (2/3rd) (Rs. lakh)	5.906
8	Actual Power purchase cost (Rs. lakh)	1953.81
9	Power Purchase cost after Efficiency Gain (Rs. in Lakhs)	1959.72

5. OPERATION & MAINTENANCE EXPENSES

As per the MYT Regulation 2021, the O&M expenses consist of employee costs, repair and maintenance expenses and administration and general expenses. The Hon. Commission had approved the following normative O&M expenses the MYT Regulation 2021 for the FY 2022-23.

Sl. No.	Particulars	Amount (Rs. in Lakhs)
1	Employee Cost	71.68
2	R&M Expenses	42.87
3	A&G Expenses	19.48
	Total	134.03

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A) Employee Cost:

As per the audited accounts of distribution business, the actual employee cost incurred by the company during the FY 2022-23 was Rs77.35 Lakhs against the normative approved expenses of Rs. 71.68 lakhs. The Hon. Commission had arrived at the normative employee expenses in the MYT Regulation 2021 for the control period from the Trued-Up employee cost for the FY 2018-19.

Normative Employee Cost Approved in MYT 2021 (Rs. in Lakhs)	Actual Employee Expenses (Rs. in Lakhs)
71.68	77.35

The post of chairperson of CGRF of RPIPL and the Nodal Officer reporting to Bureau of Energy Efficiency was handled by the Manager Technical of the company who is a graduate in Civil Engineering. The Hon. Commission directed vide the Truing Up order 2020-21 dated 15.07.2022 that utilizing the services of engineers and technicians who are not qualified in the electrical stream is not correct and cannot be permitted, considering the risk involved in the electricity distribution business. In the same order, the Hon. Commission also directed to apportion 80% of the salary and allowances of the Accounts Officer to the Electricity Distribution Business. As per the direction of the Hon. Commission in the Truing Up order for FY 2020-21, the charges of the Nodal officer reporting to BEE and the chairperson of the CGRF taken over by the Managing Director of RPIPL. The minutes of the Board meeting regarding the changes in the posts are enclosed as Annexure-2 for the kind reference of the Hon. Commission. The Truing Up order of the FY 2020-21 was issued on 15.07.2022, the changes in the apportionment of employees in the Power distribution business was effected in the FY 2022-23.

As per the Regulation 5 of the KSERC (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2005, the expenses of the Forum including the remunerations and fees to the Members, salaries and allowances of other members of the staff, establishment charges and office will be considered in the revenue requirement of the licensee and will be allowed as a pass-through expense. Accordingly, the company have apportioned the salary of the present chairperson of the CGRF and his EA in the distribution business as follows.

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Salary Apportioned to the CGRF-RPIPL				
Sl. No.	Designation	Percentage apportioned to electricity distribution	Actual Employee Cost during FY 2022-23 (Rs. in Lakhs)	Employee Cost apportioned to CGRF-RPIPL (Rs. in Lakhs)
1	MD	50%	14.5	7.25
2	EA to MD & Asst Manager (Adm.)	50%	19.31	9.66
Total Expenses of CGRF RPIPL (Rs. in Lakhs)				16.91

RPIPL has apportioned the salary and allowances paid to employees to electricity distribution business in compliance with the directives of the Hon. Commission in the Truing Up order for the FY 2020-21. A table showing the actual salary and allowances paid to employees and its allocation to electricity distribution business are shown below.

Sl. No.	Designation	Percentage apportioned to electricity distribution	Actual Employee Cost during FY 2022-23 (Rs. in Lakhs)	Employee Cost apportioned to Truing Up during FY 2022-23 (Rs. in Lakhs)
1	MD	50%	14.5	7.25
2	CFO& CS	60%	17.69	10.60
3	Asst Manager (Adm.)	50%	19.31	9.66
4	Asst Manager (Electrical)	100%	12.52	12.52
5	Asst. Resident Engineer	100%	7.81	7.81
6	Accounts Officer	80%	8.6	6.87
7	General Administrative Expenses	50%	0.672	0.34
8	Premium for Gratuity	50%	10.78	5.39
9	Expenses of CGRF	100%	16.91	16.91
Total Employee Cost				77.35

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B) REPAIR AND MAINTENANCE COST:

The Hon. Commission had approved the normative Repair & Maintenance cost of Rs. 42.87 Lakhs for the year 2022-23 in the MYT Regulations 2018. The company had incurred an actual Repair and Maintenance expenditure of Rs. 60.74 Lakhs during the year 2022-23. The Hon. Commission had approved the R&M expenditure of Rs. 45.81 Lakhs in the order on the Truing Up of accounts of the FY 2021-22. The actual Repair and maintenance expenditure incurred by the company during the year 2022-23 is detailed in the table below.

Sl. No.	Particulars	Actual (Rs. in Lakhs)
1	General repair & maintenance including service of O&M of substation	42.89
	Sub Total	42.89
2	One time Repair & maintenance	
a	Power Equipment testing of the 110/11 kV Substation	9.18
b	Repair of 110 kV Circuit Breaker	2.67
c	Repair of 11 kV Circuit Breaker Panel	1.46
d	Gasket and Oil for Power Transformer Overhauling	3.81
e	Time drift of ABT Meter	0.73
	Sub Total	17.85
	Total R&M Expenses	60.74

(i) ONE TIME REPAIR AND MAINTENANCE EXPENSES

The company had incurred one time Repair & Maintenance expenses of Rs. 17.85 lakhs during the FY 2022-23. The Hon. Commission have arrived the normative R&M expenses in the MYT Regulations 2021 from the Trued-Up R&M expenses of the FY 2018-19 excluding the onetime R&M expenses.

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RPIPL had carried out the Power equipment testing (PET) of the equipment's installed in the 110/11 kV Substation. The Power equipment testing of the equipment's are essential for ascertaining the condition of the equipment's. The testing was carried out through the Power Equipment testing wing of KSEB Ltd under work deposit scheme. RPIPL had incurred a total cost of Rs. 9.03 lakhs towards the PET testing during the FY 2022-23. The demand notice and invoice issued by KSEB Ltd is enclosed as Annexure-3 for the kind reference of the Hon. Commission.

The 110 kV Circuit Breaker of make M/s. ABB installed at the Transformer No.2 bay in the 110/11 kV Substation of RPIPL failed during the FY 2021-22. The repair was carried out through the OEM of the breaker. The repair of the Circuit Breaker was completed by the OEM during the FY 2022-23. The company had incurred a total cost of Rs. 2.67 lakhs towards the repair of the 110 kV Circuit Breaker. The copy of the invoice is enclosed as Annexure-4 for the kind reference of the Hon. Commission.

The 11 kV Circuit Breaker Panel of make M/s. ABB installed at the Control room in the 110/11 kV Substation of RPIPL failed during the FY 2022-23 and repaired through the channel partner of the OEM of the breaker. The SMC Partition, guide for shutter and shutter assembly of the 11 kV panel replaced and the company had incurred an amount of Rs. 1.46 lakhs. The copy of the invoice is enclosed as Annexure-5 for the kind reference of the Hon. Commission.

RPIPL had invited tender for the work of Overhauling of the 10/12.5 MVA, 110/11 kV Power Transformer No.2 during the FY 2022-23. The work includes replacement of the entire gaskets with new one, oil filtration and refilling of the oil to the required level. The company had purchased gaskets and transformer oil for the overhauling work from the OEM of the Power Transformer M/s. TELK. The company had incurred an amount of Rs. 3.81 lakhs towards the material purchase for the Power Transformer overhauling works. The copy of the invoice is enclosed as Annexure-6 for the kind reference of the Hon. Commission.

RPIPL have installed two numbers of ABT meter in the periphery of the 110 kV feeders from KSEB Ltd. The metering authorities of KSEB Ltd informed during the FY 2022-23 that the time in the ABT meters installed are out of block and requires time drift correction. As such, the meters are forwarded to the OEM of the meters M/s. Secure and rectified the time drift. The

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company had incurred an amount of Rs. 0.73 lakhs towards the repair and testing of the ABT meters during the FY 2022-23. The copy of the invoice is enclosed as Annexure-7 for the kind reference of the Hon. Commission.

The above Repair & Maintenance expenses are carried out on emergency basis and not routine maintenance expenses. As such, the Hon. Commission may kindly approve the total Repair & Maintenance expenses of Rs. 60.74 lakhs incurred by the company during the FY 2022-23.

C) ADMINISTRATION AND GENERAL EXPENSES:

The Hon. Commission had approved the normative A&G expenses in the MYT Regulation 2021 from the Trued-Up expenses of the FY 2018-19. The trued-up A&G expenses of the FY 2018-19 was Rs. 16.18 lakhs and as such the Hon. Commission had approved Rs. 19.48 lakhs as normative A&G expenses for the FY 2022-23 in the MYT Regulation 2021. However, the Hon. Commission have verified the actual A&G expenditure in the Truing Up petitions of the FY 2019-20 and approved Rs. 28.35 lakhs, Rs. 32.20 lakhs, Rs. 32.70 lakhs respectively as the A&G expenditure in the Truing Up orders from the FY 2019-20 to 2021-22. RPIPL had incurred actual A&G expenditure of Rs. 36.07 lakhs during the FY 2022-23 excluding the section (3) duty. The actual A&G expenditure incurred by the company during the year 2022-23 is detailed in the table below.

Sl. No.	Particulars	Amount (Rs. in Lakhs)
1	General A&G Expenses	37.10
2	Electricity Duty u/s 3(I), KED Act	18.77
	Total	57.87

The Bureau of Energy Efficiency vide the notification No. 18/1/BEE/DISCOM/2021 dated 06.10.2021 published **Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021**. As per the said Regulation, the BEE had mandated the distribution licensees to submit quarterly periodic energy accounting report signed by the Energy Manager of the Distribution licensee and Annual Energy

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Audit report by an Accredited Energy Auditor. RPIPL had invited tender for the statutory Energy Audit for the FY 2020-21 and 2021-22 during the FY 2022-23 and received bids from seven participants. The Energy Audit work for the FY 2020-21 and 2021-22 was awarded to the lowest bidder M/s. Kerala State Productivity Council, Ernakulam at the quoted rate of Rs. 1,47,500/- (Rs. 125000/- + 18% GST). RPIPL had release 70% of the contract amount as per the terms and conditions of the tender during the FY 2022-23 and incurred an expenditure of Rs. 1.03 lakhs during the FY 2022-23. A copy of the work order and price bid evaluation sheet is enclosed as Annexure-8 for the kind reference of the Hon. Commission. RPIPL had availed the services of a qualified Energy Manager on a temporary arrangement from Kerala State Productivity Council for submitting the last two quarterly energy accounting report during the FY 2021-22 at a total cost of Rs. 1.18 lakhs. The charges of the Nodal officer reporting to BEE taken over by the Managing Director of RPIPL. As the Managing Director is also a qualified energy manager, the quarterly energy accounting reports are signed and submitted by the Nodal officer itself and the company had saved Rs. 2.36 lakhs on account of this during the FY 2022-23.

6. CAPITAL INVESTMENT DURING THE YEAR

The company had capitalized equipment's amounting to Rs. 2.58 Lakhs during the FY 2022-23. All the capital expenditures are met from the equity of the company.

Sl. No.	Particulars	Amount (Rs. in Lakhs)
1	110 kV Lightning Arrestor	0.46
2	Desktop and Laptop	2.12
	Total	2.58

6.1. 110 KV LIGHTNING ARRESTER

RPIPL had conducted the Power Equipment Testing of the equipment's in the 110/11 kV Substation during the FY 2022-23. RPIPL having 12 numbers of 110 kV Lightning Arrestors in the Substation and in which one of the Lightning Arrestor was reported faulty during the testing.

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As RPIPL has been facing difficulties in replacing/repairing of the faulty equipment's on time due to the delivery period of 8 to 9 months for most of the equipment's, requested KSEB Ltd for the supply of substation equipment needed for the 110/11 kV EHT Substation from the Transmission store of KSEB Ltd at Angamaly. KSEB Ltd vide the board order dated 22.06.2022, sanctioned the supply of substation equipment to Rubber Park from the KSEBL transmission store, Angamaly and sanctioned to carry out the repair of the faulty power transformers in the Power Transformer Repair Unit (PTRU) of KSEB Ltd. The copy of the Board Order of KSEB Ltd and invoice is enclosed as Annexure-9 for the kind reference of the Hon. Commission.

RPIPL had purchased the 110 kV Lightning Arrestor from the Transmission Store of KSEB Ltd, Angamaly at a total cost of Rs. 45,865/-.

6.2. DESKTOP & LAPTOP

The company had invited the quotations for 2 numbers of laptop during the FY 2022-23 and received the following quotations.

Sl. No.	Name of the Bidder	Amount Quoted Per Unit Incl. GST (Rs.)	Bid Rank
1	Technoline Systems	2,12,093	L-1
2	Techtel	2,13,580	L-2
3	ABM Automation	2,15,232	L-3

RPIPL had awarded the supply of 2 nos of Laptop to the lowest bidder M/s. Technoline Systems at the quoted rate of Rs. 2,12,093/-. The company had incurred an actual cost of Rs. 2.12 Lakhs towards the purchase of Laptop during the FY 2022-23. The copy invoice is enclosed as Annexure-10 for the kind reference of the Hon. Commission.

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7. DEPRECIATION

RPIPL had calculated the depreciation for the FY 2022-23 as per the Regulation 27 of the MYT Regulations 2021. The depreciation has been computed annually based on the straight-line method at the rates specified in Annexure 1 to the Regulations for the first thirteen financial years from the date of Commercial operation and the remaining depreciable value spread over the balance useful life of the assets. The actual depreciation on assets for the FY 2022-23 is Rs.30.06 Lakhs.

8. RETURN ON EQUITY

The company had calculated the return on equity at the rate of 14% on 30% of the equity at the beginning of the year and on pro rata basis for the assets put to use during the financial year as per the regulation 28 of the MYT Regulations 2021. The actual return on equity for the purpose of Truing Up calculated for the FY 2022-23 is detailed below.

Sl. No.	Particulars	Amount (Rs. in lakhs)
1	Equity at the beginning of the year	1,098.61
2	Capitalization during the year	2.58
3	Gross Equity at the end of the year after capital addition	1,101.19
4	Equity portion of capitalization on pro- rata basis	2.03
5	Decrease due to de-capitalization during the Year	NIL
6	Equity at the end of the year on pro rata	1100.64
7	Return Computation	
8	Return on Equity at the beginning of the year	46.14
9	Return on Equity portion of additional capitalization	0.09
10	Total Return on Equity	46.23

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9. TAX ON RETURN ON EQUITY

In accordance with regulatory standards of truing up, the ROE is calculated as 14% of gross fixed assets, which amounts to Rs 46.23 Lakhs. Whereas the profit before tax according to the statement of the profit and loss account of the company prepared for the purpose of statutory audit is Rs. 315.15 Lakhs.

The company has paid a total of Rs 84 lakhs as income tax based on the Net profit of the company. On the basis of the above, tax expenditure for truing up has been taken in the ratio of ROE to Net profits (46.23: 315.15) which amounts to Rs.12.35 lakhs. The company has enclosed a copy of ITRV filed towards the proof of Income Tax remitted for the year FY 2022-23 as Annexure 11.

10. INTEREST AND FINANCE CHARGES / BANK CHARGES

The Hon. Commission has been approving interest and finance charges incurred by RPIPL towards the cost of double security mechanism insisted by KSEB Ltd for Power Purchase Agreements from the Truing Up order for the FY 2015-16 onwards against the order of the Hon. Commission dated 17.02.2016.

RPIPL had incurred an expense of Rs.0.94 lakhs during the FY 2022-23 on account of BG and LC charges as demanded by KSEB Ltd and booked the same under the interest and finance charges in the Truing Up petition for the FY 2022-23.

11. INTEREST ON NORMATIVE LOAN

RPIPL has calculated the interest on normative loan for the FY 2022-23 as per the Regulations 26 and 29 of the MYT Regulations 2021. As per regulation 26 of the MYT Regulations 2021, the equity for the purpose of tariff limited to 30% and the balance 70% has to be treated as normative loan and interest on the same has to be allowed at the weighted average rate of interest of the actual loan portfolio. As per regulation 30, if there is no loan portfolio available, interest shall be allowed at the base rate.

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The Hon. Commission had approved repayment of interest on normative loan amounting to Rs.35.09 lakhs up to the FY 2021-22 in the Truing Up order for the FY 2021-22. The Current year depreciation charged on Fixed Assets amounting to Rs.30.063 lakhs has been considered as Repayments of Normative Loan during the year.

The interest on normative loan for the FY 2022-23 as per the Regulations 26 and 29 of the MYT Regulations 2021 is worked out as follows.

SL No	Particulars (specify items)	Actual (Rs. Lakhs)
1	Gross Fixed Asset - Opening	1098.61
2	Net Additions during the Year	2.58
3	Net Additions during the year on pro- rata basis	2.03
4	70% Capital cost approved by Commission	770.45
5	Cumulative repayment of Normative Loan upto previous year	35.09
6	Net Normative loan - Opening	735.36
7	Increase/Decrease due to ACE/de-capitalization during the Year	0.00
8	Repayments of Normative Loan during the year	30.06
9	Net Normative loan - Closing	705.30
10	Average Normative Loan	720.33
11	Weighted average Rate of Interest of actual Loans	8.55
12	Interest on Normative loan	61.59

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12. REVENUE FROM SALE OF POWER

RPIPL had projected a total energy sale of 32.80 MU to the consumes of RPIPL and 0.35 MU to the open access consumer for the FY 2022-23. The actual power sale during the FY 2022-23 to the consumers of RPIPL was 31.52 MU and the open access sale was 0.51 MU. The tariff category wise revenue from sale of power during the year 2021-22 is detailed as follows.

Sl. No.	Tariff Category	Number of Consumers	Energy sales (MU)	Revenue (Rs. in Lakhs)
1	LT IV A	23	2.396	164.88
2	LT VI B	1	0.019	1.76
3	LT VI F	2	0.126	13.48
4	LT VIIA	15	0.025	2.55
5	LT VIII B	6	0.021	1.09
6	HT-1A	18	28.928	2042.35
7	Total	65	31.515	2226.11
8	Open Access KSEB Ltd (M/s. M Fuel)	1	0.51	3.21
9	Total		32.028	2229.32

13. NON-TARIFF INCOME AND OTHER INCOME

RPIPL has proposed non-tariff income of Rs. 2.01 Lakhs in the ARR & ERC petition for the FY 2022-23. The company had received Rs. 16.11 Lakhs as non-tariff income during the FY 2022-23.

As directed by the Hon. Commission in its Truing up order for FY 2020-21, the company has included Rs.7.36 Lakhs being interest received from KSEB Ltd on security deposit kept with it. RPIPL has received Rs.6.33 Lakhs from the sale of scrap transformer oil during the FY 2022-23.

Truing Up Petition For the Year 2022-23

The Hon. Commission has been booking the interest on accumulated surplus at the retail term deposit rate of SBI for a tenor of one year and the interest on security deposit with KSEB Ltd as non-tariff income in the past Truing Up orders. The Hon. Commission may kindly note that the revenue surplus arrived by the Hon. Commission in the Truing Up orders has been excluding the statutory remittance of security deposit with KSEB Ltd. The company had kept security deposit of Rs. 173.37 Lakhs with KSEB Ltd till the year 2022-23. As the accumulated surplus is also included the security deposit with KSEB Ltd, booking of interest on accumulated surplus and interest received from KSEB Ltd resulted in double booking of interest income. Hence, we humbly request that while calculating the interest income on accumulated surplus, Hon. Commission may kindly deduct the security deposit and section (3) duty totaling to Rs.400 Lakhs from the accumulated revenue surplus.

14. REVENUE GAP/SURPLUS

RPIPL had submitted the ARR&ERC petition for the FY 2022-23 with a deficit of Rs.138.66 Lakhs. The actual deficit as per the audited accounts of the company is Rs.53.51 Lakhs.

15. PRAYER

Rubber Park India (P) Ltd request the Hon. Commission that:

1. Truing up of Income and Expenditure as per the Truing Up accounts for the FY 2022-23 with the explanation for the variation may kindly be approved.

Managing Director

Rubber Park India (P) Ltd,
Valayanchirangara,
Ernakulam Dist.