

BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

CASE NO. 11 of 2018

In the matter of Petition for True-up of FY 2014-15.

AND

Meghalaya Power Distribution Corporation Limited (the Petitioner)

Coram

WMS Pariat IAS (Retd.)

Chairman

ORDER

(Date: 05.09.2018)

Commission had under taken True-Up exercise for the FY 2013-14 and provisional true-up for FY 2014-15 as per the directions of Hon'ble APTEL in the Appeal No.146 of 2014 dated 01.12.2015. The Hon'ble APTEL direction reads as follows:-

"We direct the State Commission to carry out the true-up considering audited figures up to 2013-14 and Provisional figures for FY 2014-15 and arrive at the gap/surplus before approval of ARR and Tariff petition for FY 2015-16. Further, the gap if any arrived in the process of True-Up, the State Commission was directed not to levy carrying cost on the gap. The Consumers should not be burdened for non-submission of audited accounts of the past years by the Distribution Licensee."

Commission's approach in the provisional True-Up orders for FY 2014-15 had made it clear vide Para 1.6 of Tariff orders Dt. 31.03.2016 that the True-Up exercise without the C&AG audit report, should only be treated as review of the ARR and the same shall be subject to correction on filing of audited accounts.

MePDCL had filed True-Up petition for FY 2014-15 along with Tariff petition for FY 2017-18, pursuant to the Tariff orders dt.12.04.2014 and subsequent provisional True-Up vide Tariff Order dated 31.03.2016 passed by Hon'ble Commission.

Commission had again made it clear in the Tariff Order for FY 2017-18 vide para 1.6 in the Approach of the Commission, that the True-Up order passed by the Commission for FY 2014-15 shall be an interim approval, subject to re-adjustment after filing of audited accounts certified by C&AG.

Commission had issued Directive No.4 of 8.2 in the Tariff Order for FY 2017-18 asking the licensee to file True-Up petition for FY 2014-15 along with C&AG audit report, since present True-Up order for FY 2014-15 were passed on provisional basis.

The statutory auditor's report of MePDCL did not cover all the detailed transactions that had taken place during the FY 2014-15. To exemplify, the statement of Accounts audited by the Statutory Auditors did not disclose the Non-Tariff Income from open access consumers which amounted to Rs.11.32 Crore for FY 2014-15. The C&AG had also observed that Rs.1.42 Crore being the sale of power to Assam for March 2015 was not covered in "Note-18" revenue from inter-state sale of power to Assam. C&AG has also observed that Rs.0.38 Crore being DPS@2.5% was not included in the outstanding dues as on 31.03.2015 "Note-19". The C&AG had also pointed out that an amount of Rs.0.79 Crore accounted under Inter-state sale of power to Assam pertains to prior period FY 2013-14 "Note-27". The Statutory Auditor's report does not disclose such accounting variations observed in the Supplementary audit by C&AG.

In line with the directives issued by the Hon'ble Commission vide Order dated 31 March 2017 for FY 2017 – 18 and for FY 2018-19 vide Order dated 31st March 2018, and also Commission letter No MSERC/MeECL/COR/2018/83 dated 30 April 2018 and Commission letter dated 6th June 2018, MePDCL has filed the True-Up petition with the C&AG Audit Report for FY 2014-15 on 15th June 2018.

In exercise of functions vested upon it, MSERC (here in after referred as the Commission) issues this True-Up order for the FY 2014-15.

Commission hereby notifies the licensee that the impact of True-Up gap/surplus shall be taken care of in the ARR of the ensuing year for determination of Tariff.

Sd/-
W M S Pariat, IAS (Retd)
Chairman.

True-Up for FY 2014-15

1.1 Introduction

In compliance to the Commission's Directives, MePDCL had filed petition for final True-Up of the business for the FY2014-15 along with the C&AG audit report & audited statement of accounts, requesting the Commission to allow the gap to be recovered in the ARR.

The energy sales approved in the Tariff Order for FY 2014-15 and actual sales reported are shown in the Table 1.1 below:

Table 1.1: Comparison of Energy Sales in FY 2014-15

Sl.No	Category	Approved in Tariff Order (MU)	Actual sales Reported (MU)	Approved for True-Up (MU)
A	LT			
1	Domestic	387.00	363.20	363.20
2	Commercial	68.00	62.59	62.59
3	Industrial	7.00	5.26	5.26
4	Agriculture	0.17	0.10	0.10
5	Public Lighting	1.25	1.27	1.27
6	Water Supply	10.00	8.53	8.53
7	General Purpose	17.00	17.69	17.69
8	Kutir Jyoti	16.00	21.47	21.47
9	Crematorium	0.24	0.19	0.19
	Sub-total	506.66	480.30	480.30
B	HT			
1	WaterSupply	30.00	32.41	32.41
2	General Purpose including Dom/Bulk	69.00	62.03	62.03
3	Commercial	23.00	23.05	23.05
4	Industrial	274.00	221.02	221.02
5	Domestic	22.00	22.53	22.53
	Sub-total	418.00	361.04	361.04
C	EHT			
1	Industrial	203.00	179.60	179.60
2	Assam	22.23	20.00	20.00
	Sub-total	225.23	201.60	201.60
	TOTAL	1149.89	1040.94	1040.94

1.2 The energy available for FY 2014-15

Table 1.2: Energy available for FY 2014-15

(MU)

Sl. No	Source	Approved by MSERC	As Proposed by MePDCL	Approved for True-Up
1	NTPC(NR)	275.49	152.84	152.84
2	OTPC Palatana (NER)	275.22	263.63	263.63
3	NEEPCO	589.26	500.11	500.11
4	NHPC Loktak	50.69	-	-
5	MePGCL	1026.00	835.92	835.91

	Sub-total	2216.66	1752.49	1752.49
6	Other sources	-	351.25	351.25
	Total	2216.66	2103.74	2103.74

1.3 Energy Balance

As per the data made available to the Commission for FY2014-15, the energy drawn from MePGCL to the quantum of 835.91 MU, is considered.

Table 1.3: Energy Balance for FY 2014-15

(MU)				
Sl. No.	Particulars	Approved in the Tariff Order	Proposed by MePDCL	Approved for True-Up
1	Energy Sales in Meghalaya	1127.00	1040.93	1018.93
2	Energy Sales in ASEB	22.00	-	22.00
3	Total Sales	1149.00	1040.93	1040.93
4	Distribution loss(%)	24.00%	35.56%	35.56%
5	Distribution loss(MU)	362.84	574.42	574.42
6	Energy requirement at State Periphery	1511.84	1615.35	1615.35
7	Transmission loss(%)	4.00%	-	-
8	Transmission losses	62.99	-	-
9	Total input Energy	1574.84	1615.35	1615.35
10	Energy available from ER	275.49	152.84	152.84
11	ER losses at 2.3%	6.34	3.52	3.52
12	Net Energy available from ER	269.15	149.32	149.32
13	Energy available from NER	915.17	645.14	763.74
14	Total Energy	1184.32	794.46	913.06
15	Losses of NER at 3.48%	41.21	27.65	31.77
16	Energy available from outside	1143.11	766.82	881.29
17	Energy from MePGCL	1026.00	996.57	835.91
18	Total energy available	2169.11	1763.39	1717.20
19	Purchased bilaterally	0.00	309.20	351.25
20	Energy available for sale with MePDCL	2169.11	2072.59	2068.45
21	Energy Required	1575.00	1615.47	1615.35
22	Surplus Energy	594.11	457.12	453.10

Commission considers surplus energy of 453.10 MU for FY 2014-15 True-Up.

1.4 Power Purchase Cost

MePDCL has claimed power purchase cost of Rs. 578.02 Crore as per energy balance indicated at Para 1.3 as against 2216.66 MU approved by the Commission with an amount of Rs. 554.50 Crore.

The power purchase expenses claimed are given below:

Table 1.4: Power Purchase Expenses Claimed

Particulars	Approved in Tariff Order (MU)	Average Cost (Rs/kW)	Total Cost (Rs. Crore)
Purchase of power cost approved	2216.66		554.50
Free	60.48		

	2156.18	2.50	
Power Purchase cost claimed by MePDCL Incl. Bilateral Purchase	2088.69		578.02
Free Power	42.06		
	2130.75	2.71	578.02

Commission's Analysis

MePDCL has included Rs.64.62 Crore surcharge against NEEPCO and Rs. 11.93 Crore included against NHPC Loktak plant without energy being drawn as per the Table 4 of their Petition. Whereas verification of power purchase bills reveals that a sum of Rs.93.03 Crore towards surcharge for belated payment of dues to the Generators / Suppliers are included, which shall not be considered for True-Up as per Regulations.

Commission approves power purchase cost at Rs.473.06 Crore for FY 2014-15 True-Up, excluding surcharge and other extra claims made for Rs.11.93 Crore.

1.5.1 Transmission charges

MePDCL has claimed Transmission charges at Rs.137.50 Crore for True-Up of FY 2014-15 as detailed below:

Table 1.5.1: Transmission charges claimed

Inter-State Transmission Cost of PGCIL As per Table-4 of the petition 1267.84	(Rs. Crore)	64.78
Intra-State Transmission Cost MePGCL-	(Rs. Crore)	72.72
Total	(Rs.Crore)	137.50

Commission analysis

The Commission has approved Transmission charges as stated below:

Table 1.5.1 A: Approved Transmission Charges

Sl. No	Particulars	Unit	Approved ForFY 2014-15True-Up
1	Inter-State Transmission Charges for 1190.66 MU	Rs. Crore	61.82
2	Intra-State Transmission Charges for 1026 MU	Rs. Crore	72.79
3	The average cost for Inter-State Transmission	Rs./kWh	0.52
4	The average cost for Intra State Transmission	Rs./kWh	0.71

As against the approve quantum, MePDCL has drawn energy as stated below:

Table 1.5.1 B: Energy Drawn

Sl.No.	Particulars	Rs.Crore
1	Inter-State power drawal through PGCIL as Per the Table 4 of the Petition	65.93
	Surcharge claim of PGCIL (-)	0.10
		65.83
2	Intra-State Power from MePGCL	59.35
	Total - 2103.75 MU	125.18

Commission approves the Transmission Charges of Rs.125.18 Crore for FY 2014-15 as True-Up after deducting Rs. 0.10 Crore toward surcharge claimed for PGCIL.

Table 1.5.1 C: Power Purchase Cost for FY 2014-15 (True-Up)

Sl. No.	Particulars	Approved for FY 2014-15	As Per Petition	Approved for True-Up of FY 2014-15
1	Power Purchase Cost	554.5	578.02	473.06
2	Transmission Charges PGCIL	61.82	64.78	65.83
3	Intra-State Transmission Charges MePTCL	72.79	72.72	59.35
4	Total Power Purchase Cost			598.24

Commission considers Power Purchase Cost and Transmission Charges of Rs.598.24 Crore for True-Up of FY 2014-15.

1.5 Employees Cost

MePDCL has claimed Employees cost at Rs 108.15 Crore for FY2014-15 for True-Up.

Commission analysis

As per the Statement of Accounts for FY 2014-15, salaries and wages, contribution to provident fund and other funds and staff welfare expenses reported at **Rs.103.93 Crore**. The 1/3rd share of employee expenses for MeECL is reported at **Rs.4.22 Crore**. Summing up the Employee expenses amounted to **Rs. 108.15 Crore**.

Commission considers employees expenses of Rs.108.15 Crore for True-Up of FY 2014-15.

1.6 Repairs and Maintenance Expenses

MePDCL has claimed R&M expenses of **Rs. 6.18 Crore** for FY2014-15 for True-Up.

Commission analysis

As per the Statement of Accounts R&M expenses reported of **Rs.6.11 Crore** for MePDCL and **Rs. 0.07 Crore** being 1/3rd R&M expenses for MeECL reported for FY 2014-15.

Commission considers R&M expenses of Rs.6.18 Crore for True-Up of FY2014-15.

1.7 Administration and General Expenses

MePDCL has claimed **Rs.10.60 Crore** towards Administration and General Expenses including 1/3rd expenses of MeECL for True-Up of Business for FY2014-15.

Commission's Analysis

As per the Statement of Accounts the administration and General expenses for MePDCL reported at **Rs.8.44 Crore** and 1/3rd Administration and General Expenses for MeECL reported of **Rs. 2.15 Crore**.

Commission considers Administration and General Expenses at Rs.10.59 Crore for True-Up of FY 2014-15.

1.8 Depreciation

MePDCL has claimed Depreciation of Rs. 10.19 Crore for True-Up FY 2014-15.

Commission's Analysis

As per the Statement of Accounts "Note-11" the Depreciation of fixed assets works out to Rs.15.44 Crore for MePDCL. Capital Grants and Contributions amounted to Rs. 114.00 Crore on an average. The Depreciation is considered for MePDCL at Rs. 10.05 Crore, (after deducting Depreciation on grants) and 1/3rd Depreciation of MeECL is considered at Rs. 0.22 Crore.

Commission approves Rs.10.27 Crore towards Depreciation for True-Up of the business for FY 2014-15.

1.9 Interest on loan capital

MePDCL has claimed Rs.26.03 Crore towards interest on loans for True-Up FY 2014-15.

Commission's Analysis

As per the Regulation102, Interest on loan Capital shall be payable as per the Approved Business Plan and Capital investment plan for the Tariff year.

As per the Statement of Accounts, the following eligible loan schedule is drawn up:

Table 1.9: Interest on Loan Capital for FY 2014-15

Particulars	Opening Balance	Addition	Repayment	Closing Balance	Interest Amount
9% PFCR-APRDRP-A	10.19	-	-	10.19	0.92
8% REC(Restructured)	44.26	-	0.79	43.47	3.51
9% PFCR-APRDRP-B	-	47.92	-	47.92	2.16
Total	54.45	47.92	0.79	101.58	6.59

The Commission does not consider the loans drawn for other than Capital works. Similarly, the purpose for which the state Government loan was drawn is not indicated in the loan schedule. As such interest on such loans is not considered as claimed by the Licensee.

Commission considers Interest and finance charges at Rs.6.59 Crore for True-Up of business for FY 2014-15.

1.10 Interest on Working Capital

MePDCL has claimed interest on working capital at Rs.24.26 Crore for True-Up for FY 2014-15.

Commission's Analysis

As per the Regulation 104, the Interest on working Capital shall be allowed as expenditure for determination of tariff irrespective of whether the Licensee had availed loan or not on the following components of ARR.

- 1) O&M expenses for one (1) month
- 2) Maintenance spares at 1% of the opening GFA escalated at 6% per annum
- 3) Receivables for two months, fixed charges and Energy charges.

The Interest rate is taken at SBI, PLR as on 1st day of relevant Financial Year. The interest on working capital is worked out in the Table below:

Table 1.10: Interest on working capital approved for FY 2014-15

Sl. No	Particulars	Approved for FY2014-15
1	O&M expenses for 1 month (excluding of MeECL Cost)	8.66
2	1% of opening GFA (Rs. 324.37Crore)escalating 6%	3.44
3	Two months of Receivables (ExclED) at prevailing Tariffs	81.34
4	Total	93.44
5	Interest at 14.75%	13.78

Commission considers Interest on working capital at Rs13.78 Crore for True-Up of FY 2014-15.

1.11 Other Debits (Including provision for bad debts)

The Commission had in the tariff orders for FY 2014-15 approved provisions for bad and doubtful debts at Rs. 0.15 Crore.

MePDCL has claimed negative for Rs. 1.05 Crore under the head "other debts". The Licensee has not furnished the details of transaction and period to which negative claim is preferred.

Commission does not consider the claim for True-Up for FY 2014-15.

1.12 Prior Period Charges (credits)

The Commission had not considered any prior period charges in the ARR for FY 2014-15. MePDCL has claimed Rs. 67.71 Crore as prior period charges/credits.

Commission does not consider any claim under the head "Prior Period Charges" for True-Up of FY 2014-15.

1.13 Return on Equity

MePDCL has claimed **Rs.111.13 Crore** towards Return on Equity as against **Rs.9.43**

Crore approved in the Tariff Orders for FY 2014-15.

Commission's Analysis

The claim of the Licensee for RoE of **Rs. 111.13 Crore** does not correspond to the GFA of the MePDCL as per the Statement of Accounts for FY 2014-15.

The Commission refers to the APTEL Judgment dated 17.12.2014 in Appeal No.142 and No.168 of 2013 between Mawana Sugars Ltd. Vs PSERC and others. According to the APTEL findings, the state Commission is not bound by the transfer scheme provisions and the Statement of Accounts.

The Commission in the circumstances considers, as per the books of accounts, the equity capital shall be computed on the GFA and additions during the year to be compliant with the requirement of Regulations 100 and 101.

Accordingly, the equity capital is computed for FY 2014-15 in the Table 1.13 below and Return on Equity is allowed for FY 2014-15 as indicated in Table 1.13 below:

Table 1.13: Return on Equity Approved for FY 2014-15

Particulars	Unit	Approved for FY 2014-15 True-Up
GFA as on 31.03.2014	Rs. Crore	324.37
Additions during the year	Rs. Crore	4.64
Closing GFA		328.87
Equity capital at 30% of Average GFA as per Regulation 100	Rs. Crore	98.00
Return on equity at 14%	Rs. Crore	13.72

Commission considers RoE of Rs.13.72 Crore for FY 2014-15 True-Up.

1.14 Non Tariff Income/ Other Income

MePDCL has submitted in the petition that other income including Non-tariff income received is in the order of **Rs 184.26 Crore** as against the estimates of tariff order for **Rs.65.77 Crore**.

Commission's Analysis

As per the Statement of Accounts for FY 2014-15, the following are the details of Non-tariff income (found vide Note 18, 19 and 21 of MeECL).

Table 1.14: Non Tariff Income for FY 2014-15

Sl. No.	Particulars	As per the Statement of Accounts (Rs. Crore)
a.	Non Tariff Income	
	Meterrent	2.15
	Misc. Charges from consumers	20.624
	Delayed payment surcharges	38.384
	Total Non Tariff Income	61.16
b.	Other Income & 1/3 MeECL incl. Revenue Grants	16.53
	RE subsidy	19.43
	Subsidy against power purchase	90.00
	Subsidy against loss on account of flood/ fire/cyclone	0.73
c	Govt. Subsidy	110.16
	Total (a+b+c)	187.85

Commission considers Non-Tariff income including other income of Rs.187.85 Crore as indicated in the Table 1.14 for FY 2014-15 True-Up.

1.15.1 MePDCL has reported vide their letter dated 22.02.2017 that **Rs.11.32 Crore (open access charges)** has been billed & collected from Open Access consumers for the FY 2014-15 towards application fee, SLDC operating & scheduling charges, STU charges and Deviation charges.

Commission considers the other income collected towards open access charges of Rs.11.32 Crore and treats the same as non-Tariff income which shall be deducted from the Net ARR for FY 2014-15.

1.15.2 The C&AG observed that **Rs.0.38 Crore** being the **DPS at 2.5%** levied on outstanding dues as on 31 March 2015 in respect of interstate sale of power to Assam was not included in other Income (vide **note-19**) for FY 2014-15.

The licensee has submitted that DPC is being charged on failure of payment within due date. Accordingly, DPC, if any, be charged in the next bill and accounted in FY 2015-16.

Commission considers the submission of the Licensee of accounting the transaction in the FY 2015-16.

1.15.3 As per the “**Note 23**” Statement of Account, MePDCL has accounted amortization from reserves for **Rs.4.63 Crore** for FY 2014-15. Commission considers this a deduction from Net ARR.

1.16 AT&C Losses

MePDCL has stated that AT&C loss has been achieved at **34.53%** which is less than targeted level of 38.16% in the year FY 2013-14, therefore no penalty is applicable for FY2014-15.

Commission’s Analysis

As per the data analyzed in the Regulatory format–D2 (A), the AT&C loss works out at **37.71%** for FY2014-15 as against the targeted level of **39.16%** considered based on the actual for the FY2013-14.

Table 1.16: Information regarding Distribution Loss and AT&C Loss of Licensee for FY2014-15

Sl. No.	Particulars	Calculation	Unit	Actual
1	Generation (Own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM	A	MU	835.91
2	Input energy (metered Import) received at interface points of DISCOM network	B	MU	881.30
3	Input energy (metered Export) by the DISCOM at interface points of DISCOM network	C	MU	126.48
4	Total energy available for sale within the licensed area to the consumers of the DISCOM	D=A+B-C	MU	1590.73
5	Energy billed to metered consumers within The licensed area of the DISCOM	E	MU	1020.93

Sl. No.	Particulars	Calculation	Unit	Actual
6	Energy billed to unmetered consumers within The licensed area of the DISCOM	F	MU	-
7	Total energy billed	G=E+F	MU	1020.93
8	Amount billed to consumer within the licensed area of DISCOM	H	Rs. Cr	488.04
9	Amount realized by the DISCOM out of the Amount billed at H#	I	Rs. Cr	473.71
10	Collection efficiency (%) (=Revenue realized/Amount billed)	$J=(I/H)\times 100$	%	97.06
11	Energy realized by the DISCOM	K=JXG	MU	990.91
12	Distribution Loss (%)	$L=\{(D-G)/D\}\times 100$	%	35.56
13	AT&C Loss (%)	$M=\{(D-K)/D\}\times 100$	%	37.71

Commission considers the AT&C loss achieved at 37.71% for the FY 2014-15, which will not attract any penalty.

Table 1.16 A: AT&C loss penalty for FY 2014-15

Sl. No.	Particulars	AT&C Loss Penalty for FY 2014-15
1	Opening Balance for sale of Power (Rs.Crore)	218.93
2	Revenue billed during FY 2014-15 (Rs.Crore)	488.04
3	Less closing balance for FY 2014-15 (Rs.Crore)	233.26
4	Collection during FY 2014-15 (1+2-3) (Rs.Crore)	473.71
5	Collection efficiency FY 2014-15	97.06%
6	AT&C loss considered for FY 2013-14	42.16%
7	Target AT&C loss for FY 2014-15	39.16%
8	Actual AT&C loss as per the Table 4.7	37.71%

The Licensee had achieved the targeted level of AT&C losses for the FY 2014-15.

The Commission consider AT&C loss of 37.71% for FY 2014-15.

1.17 Revenue from sale of power

MePDCL has submitted that Revenue from sale of power assessed at Rs.498.09 Crore and Rs. 52.76 Crore realized from sale of surplus power of 126.48 MU (Licensee has stated that 330.64 MU energy has been accounted for as swapping as per **Table 2** of the petition) out of surplus power of 457.12 MU as per the analysis at **Table 1.3**.

Commission's Analysis

As per the Statement of Accounts "Note-18" the Revenue from operations is reported at Rs. 555.50 Crore. This includes electricity duty at Rs. 4.65 Crore. The revenue includes Rs.10.05 Crore sales to Assam and surplus power through UI sales of 126.48 MU with the revenue assessed at Rs.52.76 Crore for FY 2014-15. The total Revenue assessed is at Rs.550.85 Crores excl. ED for the FY 2014-15. The C&AG has pointed out that Rs.1.42 Crore towards sale of power to Assam for the month of March 2015 was not included in the inter-state sale of power to Assam vide **note 18**.

The Licensee has stated that the transaction observed by the C&AG has been accounted

in FY 2015-16.

Commission considering the submission of the licensee approves revenue from sale of power at Rs.550.85Crore for FY 2014-15 True-Up.

Accordingly the Commission has calculated a gap (surplus) for the period of FY 2014-15 and approved the same as shown in table 1.17 below.

Table 1.17: ARR and Revenue Gap for FY2014-15 True-up

(Rs.Crore)				
Sl. No.	Particulars	Approved ARRforFY 2014-15	MePDCL petition	Approved for True-Up
1	Power Purchase cost	554.50	578.02	473.06
2	Cost of RPO	3.86	-	-
3	Transmission Charges -PGCIL	61.82	64.78	65.83
4	Transmission Charges -MePTCL	72.79	72.72	59.35
5	Employee expenses	111.00	108.15	108.15
6	Repairs & Maintenance Expenses	8.41	6.18	6.18
7	Administration & General Expenses	7.62	10.60	10.59
8	Depreciation	4.37	10.19	10.27
9	Interest on loans	12.40	26.03	6.59
10	Interest on working capital	23.03	24.26	13.78
11	Other debts	0.15	(1.05)	-
12	Prior Period charges/credits	-	67.71	-
13	Return on Equity	9.43	111.13	13.72
14	Annual Revenue Requirement	869.38	1078.72	767.52
15	Less: Non-tariff income	40.00	74.10	61.16
16	Less: other income (incl 1/3 MeECL)			16.53
17	Less: open Access charges billed & collected			11.32
18	Less: cross subsidy surcharge	5.77		
19	Less: RE subsidy	20.00	110.16	110.16
20	Less: Amortization grant			4.63
21	Less: Revenue from sale of surplus Power 126.48 MU	184.74	52.76	52.76
22	Net ARR	618.87	841.70	510.96
23	Revenue from Tariffs	619.63	498.09	498.09
24	Revenue (Surplus)/Gap	0.76	343.61	12.87

Commission had already adjusted the provisional True-Up gap relating to FY 2014-15, amounting to Rs.25.83 Crore in the Tariff Order for FY 2017-18. The final True-Up as per present order, however, involves a net gap of Rs.12.87Crore only, as detailed above and not Rs. 25.83 Crore. The sum of Rs.12.96Crore(Rs.25.83 Crore-Rs.12.87 Crore) which had been adjusted for the FY 2017-18 is therefore an excess gap and shall be adjusted in the next Tariff Order.

Sd/-
WMS Pariat IAS (Retd.)
Chairman