

## A6: COMMISSION'S ANALYSIS OF ARR AND TARIFF PETITION FOR FY 2008-09

6.1 The Commission has scrutinized the petition filed by TSL for FY 2008-09. The Component-wise details of the Petitioner's submission and the Commission's analysis and approvals applicable for FY 2008-09 have been discussed in this section.

### Energy Sales

#### *Petitioner's submission*

6.2 The petitioner submitted that the domestic consumption in its licensed area has witnessed continuous growth in the last few years due to changing lifestyle of the consumers as well as increase in disposable income of different sections of the society. The industrial consumption also increased due to the economic upswing.

6.3 The category-wise actual number of consumers and projected number of consumers for FY 2008-09 is detailed hereunder:

**Table 31: No. of Consumers**

Category	FY 08 (Actual)	FY09 (Projected)
Domestic LT	19,465	20,000
Domestic HT	80	82
Commercial	6,312	6,800
High Tension I	36	36
High Tension II	12	15
High Tension III	9	9
Street Lights	1	1
Utilities	1	1
Sale to JUSCO	-	
132 kV	-	1
33 kV	-	1
<b>Total</b>	<b>25,916</b>	<b>26,946</b>

6.4 The category-wise consumption estimates for the above consumers is detailed in the table given below:

**Table 32: Details of category-wise projected energy sales (MUs)**

Category	FY 08 (Actual)	FY09 (Projected)
Domestic LT	80.23	91.50

Domestic HT	57.56	65.51
Commercial	32.06	35.35
High Tension I	14.48	17.68
High Tension II	58.70	67.59
High Tension III	840.09	873.02
Street Lights	6.86	8.32
Utilities	33.06	36.39
Sale to Other Licensee (JUSCO)		
132 kV	0.00	10.00
33 kV	0.00	30.00
<b>Total units</b>	<b>1123.04</b>	<b>1235.36</b>

### *Commission's analysis*

6.5 The Commission observes that during FY 2008-09, licensee has projected addition in number of consumers in the case of

- (a) domestic category-both HT & LT
- (b) commercial;
- (c) HT-II; and
- (d) (iv) JUSCO-for distribution in its licensed area.

6.6 The Commission scrutinized the commercial information in relation to the number of consumers and category-wise units projected to be sold by the licensee for FY 2008-09 on the basis of actual figures for FY 2007-08. The Commission accepts the basis of projection and approves the number of consumers and sales projected by the petitioner.

### **Distribution Losses**

#### *Petitioner's submission*

6.7 The petitioner projected an overall distribution loss level of 8.71% for FY 2008-09, which is similar to the distribution losses during FY 2007-08.

6.8 The petitioner has submitted that it is proposing the similar loss level despite the increased consumption in domestic and LV side. It is further submitted that it has been able to propose the similar loss level due to constant vigil on pilferage and encouraging consumers with un-authorized connections to become regular consumers. Also, due to various technological up-gradations like ABC cables, use of electronic meters etc.

6.9 The petitioner also highlighted the fact that its distribution losses are very much lower than the other private utilities elsewhere in the Country who have reported losses in the range of 12% to 16%.

*Commission's analysis*

6.10 While the Commission appreciates the lower level of distribution losses registered by the licensee, it restates that the petitioner is not comparable with other private utilities operating in the Country because of difference in geographical reach, consumer mix, sales-mix and number of consumers served by other private utilities.

6.11 Therefore, the Commission feels that there is scope for further reduction in the distribution losses projected by the licensee. However, for the time being the Commission accepts the figure of distribution losses as projected by the licensee and will make adjustment as and when the actual figures for FY 2008-09 are made available to the Commission.

## **Energy Balance**

*Petitioner's submission*

6.12 The Petitioner's projection of energy balance for FY 2008-09 is based on the energy sales projections being grossed up by an estimated distribution loss level, in order to arrive at the quantum of power purchase required to meet the expected demand. With the loss level and total energy sales being estimated at 8.71% and 1235.36 MUs respectively, the Petitioner's estimated energy requirement comes to 1353.19 MUs for FY 2008-09.

*Commission's analysis*

6.13 The Commissions approves the energy balance proposed by the petitioner. The following table summarises the proposed and approved energy balance:

**Table 33: Approved Energy Balance for FY 2008-09**

<b>Energy Balance</b>	<b>Projected</b>
Units sales (MUs)	1235.36
<i>Distribution losses (%)</i>	8.71%
Units purchase (MUs)	1353.19

## Power Purchase Cost

### *Petitioner's submission*

- 6.14 The petitioner submitted that primarily there are two sources of power purchase TPCL and DVC. The Power Purchase Agreements (PPA) has been executed by the licensee with both these sources in September'1997 and April'2001 respectively. The capacities available to the petitioner consists of 240 MW from TPCL and 85 MVA from DVC, the latter being in the form of contract demand.
- 6.15 However, in order to meet the power shortage during outage of generating units at TPCL and power drawl restrictions from DVC, the petitioner also proposes to procure power by short-term bilateral purchase from other generators or traders or licensees, as the case may be. Accordingly, the petitioner has projected a short-term power purchase of 21.60 MUs at the rate of Rs.8.50/unit.
- 6.16 The petitioner has projected the average power purchase cost of Rs.2.80/unit from all the above-mentioned sources of power. It has further submitted that the cost projections have been based on existing fuel cost and any increase in these during FY 2008-09 should be allowed to be pass through in line with the terms of the 'Distribution Tariff Regulations, 2004'.
- 6.17 The petitioner has submitted that it would continue to optimise the power purchase cost from different sources to meet the peak requirements and minimize the cost impacts during off-peak period that varies upto 15-20% within 24 hours as well as during different seasons of the year.
- 6.18 The details of source-wise energy to be procured during FY 2008-09 and the corresponding costs are summarized in table given below:

**Table 34: Projected Power Purchase Cost for FY 2008-09**

Power Purchase Cost	MUs	Cost /unit	Total Cost (Rs. Cr)
<b>DVC</b>			
<b>Quantum of purchase</b>	<b>406.90</b>		
<i>Average power purchase cost</i>		3.33	135.50
<b>Total</b>	<b>406.90</b>		<b>135.50</b>
<b>TPCL</b>			
<b>Quantum of purchase</b>	<b>1438.04</b>		
Energy Charges		1.23	176.88
Fixed Charges		1.33	191.26
<b>Total</b>	<b>1438.04</b>		<b>368.14</b>

<i>Average power purchase cost</i>		2.56	
<b>Open Access</b>	<b>21.60</b>	<b>8.50</b>	<b>18.36</b>
<b>TOTAL POWER PURCHASE COST</b>			
<b>Total power purchase</b>	<b>1866.54</b>		<b>522.00</b>
<b>Transferred to Steel Works</b>	<b>513.35</b>		<b>143.56</b>
<b>Net Power Purchase for Power Distribution</b>	<b>1353.19</b>		<b>378.43</b>
<i>Average power purchase cost</i>		2.80	

*Commission's analysis*

- 6.19 The Commission has computed the quantum and rate of power purchase from TPCL on the basis of the Tariff Order on ARR of TPCL for FY 2007-08, issued in January 2010. The Commission has also approved the quantum of short term purchase from other sources at 21.60 MUs, as proposed by the petitioner. The quantum of power from DVC has been computed on the basis of the balance requirement from the total energy requirement approved in the earlier section, after considering the quantum of energy from TPCL and short-term purchase.
- 6.20 The Commission approves the power purchase rate of DVC as submitted by the petitioner for FY 2007-08 with the condition that it will be trued-up, as and when the actual rate of power purchase from DVC is submitted by the petitioner.
- 6.21 The Commission considers the proposed power purchase rate of short-term power to be too high and approves the short-term power purchase rate at the same level as that approved for the power purchased from DVC, with the condition that it will be trued-up as and when the actual rate of power purchase from other sources is made available, subject to prudence check by the Commission.
- 6.22 Based on this the approved details of source-wise energy to be procured during FY 2008-09 and the corresponding costs involved are tabulated below:

**Table 35: Approved Power Purchase Cost for FY 2008-09**

Power Purchase Cost	MUs	Cost /unit	Total Cost (Rs. Cr)
<b>DVC</b>			
<b>Quantum of purchase</b>	<b>413.29</b>		
<i>Average power purchase cost</i>		3.33	137.63
<b>Total</b>	<b>413.29</b>		<b>137.63</b>
<b>TPCL</b>			
<b>Quantum of purchase</b>	<b>1431.65</b>		
Energy Charges		1.23	176.88

Fixed Charges		1.30	186.95
<b>Total</b>	<b>1431.65</b>		<b>363.82</b>
<i>Average power purchase cost</i>		2.53	
<b>Open Access</b>	<b>21.60</b>	3.33	<b>7.19</b>
<b>TOTAL POWER PURCHASE COST</b>			
<b>Total power purchase</b>	<b>1866.54</b>		<b>508.64</b>
<b>Transferred to Steel Works</b>	<b>513.35</b>		<b>139.89</b>
<b>Net Power Purchase for Power Distribution</b>	<b>1353.19</b>		<b>368.75</b>
<i>Average power purchase cost</i>		2.73	

## Operations & Maintenance Expenses

### *Petitioner's submission*

- 6.23 Operations and maintenance expenses consists of (a) employee cost; (b) repair & maintenance expenditure; & (c) administrative & general expenses.
- 6.24 The petitioner has submitted that it has outsourced major part of its operation & maintenance of power distribution business to its 100% subsidiary, JUSCO. For FY 2008-09, the petitioner has projected an O&M expense of Rs.37.04 Cr, which is 16% more than the O&M expenses registered during FY 2007-08.
- 6.25 TSL has submitted that its power distribution network is expanding every year and so are its load & energy sales. In order to meet these requirements, licensee requires additional O&M expenses. The petitioner has further justified its claim by comparing the O&M expenses as a percentage of ARR with Torrent Power and BRPL. O&M expenses as a percentage of ARR are 9.18% and 8.96% in case of Torrent Power and BRPL respectively.

### *Commissions view*

- 6.26 The Commission acknowledges the fact that the O&M expenses as a percentage of ARR of the petitioner is lower than some other private utilities. The Commission also approves the 16% inflation factor considered by the petitioner to project the O&M expenses and hence approves the O&M expenditure proposed by the petitioner.

**Table 36: Proposed and Approved O&M Expenses (Rs. Cr)**

	FY 2007-08	FY 2008-09
O&M Expenses	31.89	37.04
<i>% increase</i>		16%

## Capital Investment Plan

### *Petitioner's submission*

6.27 The petitioner has proposed a capital investment plan of Rs.126 Cr for next 5 years with the objective to strengthen the overall transmission and distribution system. The capital expenditure is proposed to be phased out in 5 years starting from FY 2008-09. The capital expenditure proposed for FY 2008-09 is Rs.18.98 Cr.

6.28 The capital investment plan proposed by the petitioner is detailed hereunder:

**Table 37 Proposed Capital Investment plan for FY 2008-09 (Rs. Cr)**

S No.	Particulars	Capital Investment (Phasing for FY 2008-09)
1.	Installation of 15 MVA transformer at Tinplate Area substation with 33 Kv	1.18
2.	132 Kv Transmission line from Jojobera to Sonari	8
3.	Installation of 2 <sup>nd</sup> 15 MVA transformers at L town yard	1.3
4.	Augmentation of Power Supply in Bistpur, Sakchi, Kadma, Golmuri etc	4
5.	To set up 6.6 Kv distribution network from 2 <sup>nd</sup> 15 MVA transformers at L town yard	1
6.	Installation of 2 <sup>nd</sup> 15 MVA transformers at Sonari	0.7
7.	Augmentation of distribution network in Sonari, Bhatia Basti, Ullliyan, Shahstri Nagar, Chota Govindpur, Govindpur etc	2.4
8.	Installation of meters at all Street Lights	0.1
9.	Strengthening of Testing & maintenance facilities for distribution equipment	0.3
	<b>Total Capital Investment Plan</b>	<b>18.98</b>

### *Commission's analysis*

6.29 The Commission accepts the capital investment plan for FY 2008-09 submitted by the petitioner.

## CWIP & Gross Fixed Asset

### *Petitioner's submission*

6.30 The petitioner has submitted that it would be able to capitalise Rs.17.94 Cr during FY 2008-09.

### *Commission's analysis*

- 6.31 The Commission considered the audited accounts of the petitioner for FY 2007-08 as a basis for calculating the CWIP and Gross Fixed Assets (GFA) of the petitioner for FY 2008-09.
- 6.32 Based on the audited accounts of previous years, the Commission determined the average conversion rate of total CWIP into fixed assets. Thus, considering the determined conversion rate of 35%, the asset capitalised during FY 2008-09 amounts to Rs.9.84 Cr. The table given below summarises the calculation of CWIP for FY 2008-09:

**Table 38: Approved CWIP for FY 2008-09(Rs. In Cr)**

Particulars	FY 2008-09
Opening CWIP	8.88
Capex During the Year	19.00
Total CWIP	27.88
Less. Transferred to FA	9.84
<b>Closing CWIP</b>	<b>18.04</b>
<i>Average Conversion</i>	<i>35%</i>

- 6.33 On the basis of CWIP as calculated above, value of approved GFA for FY 2008-09 is shown hereunder:

**Table 39: Approved GFA for FY 2008-09 (Rs. Cr)**

Particulars	FY 2008-09
Opening balance	115.61
Add: Transferred from CWIP	9.84
<b>Closing balance</b>	<b>125.45</b>

## **Depreciation**

### *Petitioner's submission*

- 6.34 The petitioner has submitted that it has been maintaining its distribution assets under the broad classification of: land, building, plant & machinery, furniture, computer & IT and civil structure. Re-classification of these assets as per 'Distribution Tariff Regulations, 2004' is not practically feasible at this point of time.
- 6.35 The computation of depreciation charge is based on the straight-line method (SLM) at the rates as per the Companies Act, 1956. The depreciation charge for FY 2008-09 has been estimated to be Rs.5.92 Cr.

*Commission's analysis*

- 6.36 The 'Distribution Tariff Regulations,2004' specify that the depreciation shall be calculated annually as per the SLM at the rate of depreciation as prescribed in the schedule attached to the Regulations at Appendix-II. Further, it is provided that capital base for the purpose of depreciation shall be the historical cost with the residual life of the asset being 10% of its approved original cost. However, in view of the Petitioner's inability to classify its distribution assets in accordance with Appendix II, the Commission has for the time being considered the classification and depreciation rates as proposed by the petitioner.
- 6.37 The Commission has considered the average depreciation rate of 4.57% calculated as a percentage of depreciation charge on average closing GFA for FY 2006-07 and FY 2007-08 as stated in the audited accounts. The calculation of rate base is detailed in the table given below:

**Table 40: Calculation of Rate Base (Rs. Cr)**

Particulars	Amount
GFA as on 1.4.2007	110.76
GFA as on 31.3.2008	115.61
Average GFA for FY 2007-08(A)	113.18
Depreciation Charge for FY 2007-08(B)	5.18
Depreciation rate(B/A)	4.57%

- 6.38 The above depreciation rate has been applied to calculate the approved depreciation charge for FY 2008-09 on the average GFA of Rs.120.53 Cr. The depreciation charge of Rs.5.51 Cr thus arrived is further reduced in the proportion of assets funded by way of consumer contribution. Accordingly, the Commission approves depreciation charge of Rs. 4.85 Cores for FY 2008-09 as summarized in the table given below:

**Table 41 Proposed and approved depreciation costs (Rs. Cr)**

Items & Assets	petition depreciation	petition depreciation rate	Approved depreciation rate	Approved depreciation
Land	0.00	0.00%	0.00%	0.00
Building	0.03	1.62%	1.62%	0.02
Network Assets	5.86	4.61%	4.61%	5.45
Furniture & Fixtures	0.03	14.58%	14.58%	0.03
Vehicles	0.01	7.19%	7.19%	0.01
<b>Total Depreciation Cost</b>	<b>5.92</b>			<b>5.51</b>
Less: Depreciation on assets created out of consumer contribution				0.66
<b>Net Depreciation</b>				<b>4.85</b>

Closing Balance of GFA	129.19			125.45
Average GFA				<b>120.53</b>
Depreciation as a % of GFA	4.58%			4.57%

## Debt and Equity Components

### *Petitioner's submission*

- 6.39 The petitioner has submitted that it has funded the entire capital expenditure through its own resources and thus claimed interest on loan and return on equity on the normative debt and equity.
- 6.40 The petitioner has computed normative equity to be equal to 30% of the gross fixed assets at the end of FY 2008-09 and the normative debt has been considered as net fixed assets minus equity at the end of FY 2008-09.

### *Commission's analysis*

- 6.41 The 'Distribution Tariff Regulations, 2004' states that:

*“Debt Equity ratio for the purpose of determination of tariff shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30%. Where actual equity employed is less than 30%, the actual equity shall be considered.”*

- 6.42 Accordingly, the Commission has calculated the normative debt and equity in the ratio of 70:30 of the value of GFA after adjusting the consumer contribution of Rs.16.19 Cr. Normative repayment of loan is deemed to be equal to the depreciation charge during the year. The table given below summarises the proposed and approved normative capital structure of the petitioner for FY 2008-09:

**Table 42: Normative Capital Structure for FY 2008-09 (Rs. Cr)**

Particulars	Submitted by TSL	Approved by JSERC
Gross Fixed Assets	<b>138.11</b>	<b>125.45</b>
Less: Accumulated Depreciation	55.05	60.56
<b>Net Fixed Assets</b>	<b>83.06</b>	<b>64.89</b>
<i>Sources:</i>		
Consumer Contribution	16.19	16.19
Equity	41.43	32.78
Normative Loans(net of depreciation)	25.44	15.92
<b>Total</b>	<b>83.06</b>	<b>64.89</b>

## Interest and Other Finance Charges

### *Petitioner's submission*

- 6.43 The petitioner has proposed the interest and other finance charges to the tune of Rs. 6.80 Cr. The table given below summarises the break-up of the amount proposed by the petitioner, as interest charges:

**Table 43 Interest and Finance charges proposed by the petitioner (Rs. Cr)**

Particulars	FY 2008-09
Interest on Normative Debt @ 11.5%	2.99
Interest on Security Deposit	0.19
Interest on Working Capital @13.5%	3.62
<b>Total</b>	<b>6.80</b>

- 6.44 The petitioner has proposed a working capital of Rs.26.82 Cr for FY 2008-09 consisting of receivables of 2 months (excluding the HT3 consumption), average bank balance towards power procurement less the security deposit. The interest on normative working capital has been calculated by applying an interest rate of 13.5%.

### *Commission's analysis*

- 6.45 In accordance with the generally accepted accounting principles and norms specified in the 'Distribution Tariff Regulations, 2004', the interest on loan is computed on the average loan outstanding during the year. Accordingly, the interest on normative loan has been computed on the average balance during FY 2008-09 by applying an interest rate of 11.50%, as proposed by the petitioner. Thus, the normative interest amount approved by the Commission for FY 2008-09 amounts to Rs.2.30 Cr as detailed in the table given below:

**Table 44: Approved Interest on Loan for FY 2008-09 (Rs. Cr)**

Particulars	Amount
Opening Balance	23.26
Deemed Addition during the year	(2.49)
Deemed Repayments	4.85
Closing Balance	15.92
Average balance during the Year	19.59
<i>Interest Rate</i>	<i>11.75%</i>
<b>Interest Payment</b>	<b>2.30</b>

- 6.46 In accordance with Regulation 13 of the ‘Distribution Tariff Regulations, 2004’ the interest on working capital shall be allowed to meet the shortfall in collection over and above the target approved by the Commission.
- 6.47 However, in view of the genuine business requirement of the petitioner, the Commission is allowing the interest on the working capital base of Rs.26.69 Cr at the prevailing sub-prime lending rate of SBI, which is 12.25%. The table given below summarises the approved interest on working capital for FY 2008-09:

**Table 45 Approved interest on Working Capital for FY 2008-09 (Rs. Cr)**

Particulars	Amount
Receivables for 2 months' sale	8.35
Average Bank Balance required for 1 month of power purchase	21.82
<b>Sub total</b>	<b>30.17</b>
Less: Security deposit	3.48
<b>Total Working Capital</b>	<b>26.69</b>
<i>Rate of interest</i>	<i>12.25%</i>
<b>Interest on Working Capital</b>	<b>3.27</b>

- 6.48 Regulation 13 of the ‘Distribution Tariff Regulations,2004’ states that “interest on consumer security deposits shall be equivalent to the bank rate or more, as may be specified by the Commission from time to time.”
- 6.49 The consumer security deposit for FY 2008-09 has been projected based on projected addition of consumers during FY 2008-09. The interest on consumer security deposit has been computed @ 5.75% p.a, being the bank rate. Accordingly, The Commission has computed and approved the interest on security deposit of Rs. 0.20 Cr for FY 2008-09.
- 6.50 The approved interest and finance charges for the FY 2008-09 are summarised in the table given below:

**Table 46 Approved interest and other finance charges (Rs. In Cr)**

Particulars	Submitted by TSL	Approved by JSERC
Interest on Debt	2.99	2.30
Interest on Security Deposit	0.19	0.20
Interest on Working Capital	3.62	3.27
<b>Total</b>	<b>6.80</b>	<b>5.77</b>

## Return on Equity

### *Petitioner's submission*

6.51 The petitioner has calculated the RoE on the equity base as calculated above at the rate of 16% amounting to Rs.6.63 Cr.

### *Commission's analysis*

6.52 The Commission has calculated the RoE on the approved equity base of Rs.31.77 Cr at the rate of 14% as specified by Regulation 20.1 of the 'Distribution Tariff Regulations, 2004'. The following table summarises the proposed and approved RoE for FY 2008-09:

**Table 47 Proposed and approved Return on Equity (Rs. Cr)**

Description	Submitted by TSL	Approved by JSERC
Normative Equity	41.43	32.78
Rate of return	16%	14%
Return on Equity	6.63	4.59

## Income Tax

### *Petitioner's submission*

6.53 The petitioner has proposed a tax liability of Rs.3.29 Cr for the FY 2008-09 based on the proposed RoE of Rs.6.63 Cr.

### *Commission's analysis*

6.54 In view of the approved RoE of Rs.4.59 Cr, the Commission approves the tax expense of Rs.2.28 Cr.

**Table 48 Proposed and approved Income Tax for FY 2008-09 (Rs. Cr)**

Particulars	Submitted by TSL	Approved by JSERC
Income Tax	3.29	2.28

## Non Tariff Income (NTI)

### *Petitioner's submission*

6.55 The petitioner has proposed a total of Rs.5.61 Cr as income from non-tariff sources such as meter rent, miscellaneous charges form consumers, delayed payment surcharge, etc. during FY 2008-09.

### *Commission's analysis*

6.56 The Commission has computed the non-tariff income by considering the Miscellaneous charges in the proportion of increase in number of consumers and accordingly approves an amount of Rs.5.83 Cr as summarised in the table given below:

**Table 49 Proposed and approved NTI for FY 2008-09 (Rs. Cr)**

Particulars	Submitted by TSL	Approved by JSERC
Meter Rent	0.39	0.41
Misc Charges from Consumers	5.22	5.43
DPS	0.00	0.00
<b>Total</b>	<b>5.61</b>	<b>5.83</b>

## Revenue from existing tariff

### *Petitioner's submission*

6.57 The petitioner has submitted the consumer category-wise revenue from existing tariffs for FY 2008-09 on the basis of the projected number of consumers and sales for each category of consumer. The revenues from existing tariff amounts to Rs.412.86 Cr. for the FY 2008-09.

### *Commission's Analysis*

6.58 On the basis of approved sales estimation to various categories of consumers, the Commission approves the revenue from sale of power amounting to Rs.423.92 Cr as detailed in the table given hereunder

**Table 50 Approved Revenue from existing tariffs for FY 2008-09 (Rs. Cr)**

Consumer Category	No. of Consumers	Consumption	Contract demand / Connected Load	Fixed Charge	Energy Charge	Revenue from Fixed Charge	Revenue from Energy Charge	Total Revenue
	Nos.	Million Units	kW/BHP/kVA	Rs./kW Rs./kVA, Rs./BHP, Rs./month/connection	Rs./kWh OR Rs./kVAh	Rs. Cr (yearly)	Rs. Cr (yearly)	Rs. Cr (yearly)
Domestic								
0-100				220 V - Rs. 15 / 440 V - Rs. 35	1.70			
101-400			2.80					
Above 400			3.25					
Domestic Total	20,000	91.50				0.70	21.50	22.20
Domestic HT	82	65.51		275	2.70	0.02	17.69	17.71
Commercial Supply	6,800	35.35		220 V - Rs. 15 / 440 V - Rs. 75	4.30	0.10	15.20	15.30
High Tension Service								
HT-1 (100-500 kVA)	36	17.68		200	3.30	1.35	5.83	7.18
HT-2 (500-5000 kVA)	15	67.59		200	3.25	4.11	21.97	26.08
HT-3 (5000 kVA or more)	9	873.02		180	3.20	31.58	279.3	310.9
Sub Total HTS	60	958.29				37.04	307.1	344.2
Street Light	1	8.32			2.90	0.00	2.41	2.41
Utilities	1	36.39			2.90	0.00	10.55	10.55
Sale to JUSCO	2	40.00				0.00	11.54	11.54
132 kV	1	10.00		0	2.78		2.78	2.78
33 kV	1	30.00		0	2.92		8.76	8.76
Total Within State	<b>26946</b>	<b>1235.36</b>				<b>37.86</b>	<b>386.1</b>	<b>423.92</b>

### Summary of ARR for FY 2008-09 and treatment of revenue gap

6.59 In view of the above, the Annual revenue requirement of the petitioner for the FY 2008-09 along with the revenues at existing tariffs and revenue gap for FY 2008-09 is summarised in the table given below:

**Table 51 Summary of Annual Revenue Requirement for FY 2008-09 (Rs. Cr)**

Annual Revenue Requirement	FY 2008-09 (Projected)	
	Submitted by TSL	Approved by JSERC
Costs	(Rs. Cr)	(Rs. Cr)
Power Purchase Cost	378.43	368.75
O&M Expenses	37.04	37.04

Interest & Other Finance Charges	6.80	5.77
Return on Equity	6.63	4.59
Depreciation	5.92	4.85
Income tax	3.29	2.28
Less: Expenses Capitalised	-	-
<b>Total Costs</b>	<b>438.12</b>	<b>423.28</b>
<i>Less: Non-tariff income</i>	5.61	5.83
<i>Less Surplus for FY 2007-08</i>	18.79	18.79*
<b>Annual Revenue Requirement</b>	<b>432.51</b>	<b>398.65</b>
<b>Revenue @ Existing tariff</b>	<b>412.86</b>	<b>423.92</b>
<b>Revenue (gap)/surplus</b>	<b>(0.86)</b>	<b>25.27</b>

\* These are un-audited figures and shall be trued up with next year's petition on the basis of the actual audited figures of FY 2007-08.

- 6.60 The cumulative revenue surplus approved by the Commission for FY 2008-09 is **Rs. 25.27 Cr** as against the revenue gap of **Rs.0.86 Cr** proposed by the petitioner. Since there is no revenue gap and since the petition has been analyzed and reviewed after the end of the tariff period, the Commission has decided not to make any revision in tariffs.