

CHAPTER-5

Annual Revenue Requirement for FY-18

5.0: Proposed ARR for FY-18

Sl No	Particulars	Unit	FY-16 (Actual)	FY-17 (Projected)	FY-18 (Projected)	FY-19 (Projected)
1	GENERATOR TERMINAL	MU	8260.75	8645.21	9059.54	9544.58
2	TRANSMISSION LOSS	MU	314.73	299.99	305.31	312.11
3	ENERGY AVAILABLE	MU	7946.02	8345.22	8754.23	9232.47
4	DISTRIBUTION LOSS	MU	1438.23	1468.76	1488.22	1523.36
5	ENERGY SOLD	MU	6507.79	6876.46	7266.01	7709.11
6	DISTRIBUTION LOSS	%	18.10	17.60	17.00	16.50
	INCOME					
7	REVENUE FROM SALE OF POWER	Cr	4069.70	4041.54	4270.50	4535.97
8	REV SUBSIDIES & GRANTS	Cr	0.00	0.00	0.00	0.00
9	OTHER INCOME	Cr	39.31	45.49	48.99	52.84
	TOTAL	Cr	4109.01	4087.03	4319.49	4588.81
	EXPENDITURE					
10	PURCHASE OF POWER	Cr	2844.44	3097.73	3078.60	3526.20
11	TRANSMISSION CHARGES	Cr	459.00	402.84	388.58	410.88
12	SLDC CHARGES	Cr	2.65	2.65	3.16	3.30
13	REPAIRS & MAINTENANCE	Cr	37.68	42.29	47.48	53.34
14	EMPLOYEES COSTS	Cr	312.40	436.48	499.47	639.27
15	ADM & GENERAL EXPENSES	Cr	70.99	91.90	102.35	114.41
16	DEPRECIATION AND RELATED DTS	Cr	97.62	137.36	164.94	182.16
17	INTEREST & FINANCE CHARGES	Cr	355.89	406.06	514.85	591.58
	SUB-TOTAL	Cr	4180.67	4617.31	4799.44	5521.14
18	LESS: EXPENSES CAPITALISED:					
19	INTEREST & FINANCE CHARGES CAPITALISED		0.00	7.87	4.49	4.28
20	-OTHER EXPENSES CAPITALISED					
	SUB-TOTAL		0.00	7.87	4.49	4.28
21	OTHER DEBITS		28.09	31.60	37.66	41.43
22	RETURN ON EQUITY*			112.80	146.29	186.26
23	EXTRAORDINARY ITEMS		0.00	0.00		0.00
	TOTAL EXPENDITURE		4208.76	4753.84	4978.90	5744.55
24	PROFIT (LOSS) BEFORE TAX		-99.75	-666.81	-659.41	-1155.74
25	PROVISION FOR INCOME TAX		0.00	0.00	0.00	0.00
26	PROFIT (LOSS) AFTER TAX		-99.75	-666.81	-659.41	-1155.74
27	NET PRIOR PERIOD CREDITS		-33.69	-15.20	-20.00	-20.00
28	FY 16 Losses Carried Forward to FY 18				-133.44	
29	P & G Trust Contribution				-262.49	
	SURPLUS/ (DEFICIT)		-133.44	-682.01	-1075.34	-1175.74
	Hike in Tariff in Unit in Paise				-148.00	

GESCOM requests the Hon'ble commission to approve the Annual Revenue Requirement of Rs. 4978.90 for FY-18.

5.1 Annual performance review for FY-16:

The details of APR for FY-16 is furnished in the chapter-2. Accordingly a deficit of Rs. 133.44 Crs and Rs. 262.49 Crs towards P&G Trust contribution is required to be carried out in the ARR of FY-18.

5.2. Annual Revenue Requirement for FY-18.

5.2.1: Proposed CAPEX of FY-18.

The capital investment of GESCOM for FY18 in different category of works as follows:

Sl No	Particular	2017-18 (in Crs)	
		Proposed Budget	Expected to be completed
1	33kV Sub-station, 33kV line works & Augmentation of 33kV S/S's	15	10
2	RGGVY works REC	50	40
3	RAPDRP works		
	Part-A	5	3
	Part-B	25	20
	IPDS	133	100
4	Reconductoring works:		
	a) 33kV lines	3	2
	b) 11kV lines	5	4
	c) L.T Lines	4	4
5	DTC metering works (RAPDRP area)	3	2
6	Water supply works	5	3
7	Additional DTC's works:		
	a) New DTC's	6	4
	b) Enhancement of DTC's	3	2
8	Replacement failed 11 KV transformers	13	10

9	Replacement of Power transformers	2	1
10	Replacement of MNR meters	5	3
11	Providing ETV meters	1	0.5
12	Providing HT metering Cubicles for ring fencing	0.5	0.5
13	Service Connection works		
	a) General works	15	10
	b) IP set works	2	1
14	SI works (33KV link line /Express feeders)	2	1
	SI works (11KV Link line /Express feeders,)	15	10
15	a) Nirantara Jyoti works	110	80
	b) Deen Dayal Upadhay Gram Jyothi Yojane	500	138
16	a) Major Replacements in S/S's & lines	0.5	0.5
	b) Replacement of Age old Equipments in existing S/S & lines	5	4
17	Civil Engineering works	8	6
18	IT initiatives	2	2
19	HVDS Works	75	60
20	Providing ABC , UG Cables & RMUs	540	100
21	SCADA works	1	0.5
22	SCP & TSP works		
	a) Energisation of IP sets	1	0.5
	b) Electirification of HB's/JC's	0.5	0.5
	c) KutirJyoti	0.5	0.5
23	Ganga kalyan scheme Works	25	20
24	T & P Articles	0.5	0.5
25	Replacing of Electro Magnetic meters by Static Meters	2	2
26	Metering of IP/St. Lights/BJ&KJ sets	1	1
27	Providing Infrastructure to Regularisation of Unauthorized IP sets	40	35
28	R.E General works:		
	a) Kutir Jyoti	10	8

29	Prevention of electrical accident & safety	5	3
30	Electrification of Rehabilitation villages	5	3
32	Feeder Metering	2	2
Total		1643	694

5.2.2: Sale forecast for FY-18:

Sl No	Category	Consumer Category Particulars	FY-17		FY-18		FY-19	
			End yr instlns	Energy Sold (MU)	End yr instlns	Energy Sold (MU)	End yr instlns	Energy Sold (MU)
1	LT 2 (a)	All Electric Homes (AEH)	1551084	1103.69	1622293	1191.35	1703418	1294.30
2	LT 2 (b)	Private Professional educational institutions	4119	10.39	4510	11.15	5035	11.88
3	LT 3	Commercial and Non Industrial Light and Fan	242000	297.28	255312	321.25	270517	349.45
4	LT 4 (b)	Irrigation Pump sets (> 10 HP)	2490	3.28	3304	3.61	4385	3.97
5	LT 4 (c)	Private Horticulture Nurseries	445	1.40	548	1.51	683	1.63
6	LT 5	Industrial Heating & Motive power	59042	168.37	62099	170.38	65282	172.47
7	LT 6(a)	Water Supply - Urban & Rural	16539	201.39	17181	221.47	17838	243.53
8	LT 6(b)	Public Lighting - Urban & Rural	13488	227.46	14476	245.39	15712	263.42
9	LT 7	Temporary Power Supply	27442	19.20	33155	21.12	40057	23.23
B : LT Category - Revenue as per Subsidy Allocation of Government								
10	LT 1 (a)	Bhagya Jyoti/ Kutira Jyoti	607141	133.36	618687	145.15	632174	157.14
11	LT 4 (a)	Irrigation Pump sets (< 10 HP)	345792	3345.73	362821	3451.88	382497	3584.69
C	LT Total		2869582	5511.54	2994385	5784.26	3137598	6105.71
12	HT 1	Public Water Supply and Sewage Pumping	141	89.07	160	93.37	181	99.00
13	HT 2 a	Industrial , Non-industrial & Non-commercial Purposes	1399	1085.00	1502	1183.31	1605	1284.97
14	HT 2 b	Commercial	360	76.59	392	83.21	432	90.12
15	HT 2 c		118	14.51	138	16.06	164	17.96
16	HT 3	Irrigation & Agricultural farms, LI Societies	308	81.47	356	87.11	411	92.26
17	HT 4	Private Residential Apartments	32	13.07	34	13.27	36	13.48
18	HT 5	Temporary Power Supply - HT	31	5.22	32	5.43	34	5.63
D	HT TOTAL		2388	1364.91	2614	1481.76	2863	1603.40

5.2.2.1: Category wise estimates of number of installations and sales for the period FY18:

Number of installations:

SI No	Tariff	No. of installations				Growth (%)			
		FY-16	FY-17	FY-18	FY-19	FY-16	FY-17	FY-18	FY-19
1	LT 1	596571	607141	618687	632174	3.43	1.77	1.90	2.18
2	LT 2 (a)	1483953	1551084	1622293	1703418	6.74	4.52	4.59	5.00
3	LT 2 (b)	3761	4119	4510	5035	11.97	9.52	9.49	11.64
4	LT 3	229324	242000	255312	270517	7.03	5.53	5.50	5.96
5	LT 4 (a)	330873	345792	362821	382497	8.25	4.51	4.92	5.42
6	LT 4 (b)	1782	2490	3304	4385	55.36	39.73	32.69	32.72
7	LT 4 (c)	336	445	548	683	27.27	32.44	23.15	24.64
8	LT 5	56063	59042	62099	65282	4.85	5.31	5.18	5.13
9	LT 6(a)	15922	16539	17181	17838	3.73	3.88	3.88	3.82
10	LT 6(b)	12567	13488	14476	15712	2.86	7.33	7.33	8.54
11	LT 7	21043	27442	33155	40057	9.29	30.41	20.82	20.82
LT		2752195	2869582	2994386	3137598	6.18	4.27	4.35	4.78
12	HT 1	123	141	160	181	6.96	14.63	13.48	13.13
13	HT 2 a	1299	1399	1502	1605	8.34	7.70	7.36	6.86
14	HT 2 b	330	360	392	432	16.20	9.09	8.89	10.20
15	HT 2 c	104	118	138	164	40.54	13.46	16.95	18.84
16	HT 3 a	266	308	356	411	13.68	15.79	15.58	15.45
17	HT 4	30	32	34	36	-3.23	6.67	6.25	5.88
18	HT 5	29	31	32	34	7.41	6.90	3.23	6.25
HT		2181	2389	2614	2863	11.05	9.54	9.42	9.53
TOTAL		2754376	2871971	2997000	3140461	6.18	4.27	4.35	4.79

Sales:

SI No	Tariff	Sales in MU				Growth (%)			
		FY-16	FY-17	FY-18	FY-19	FY-16	FY-17	FY-18	FY-19
1	LT 1	123.85	133.36	145.15	157.14	0.00	7.68	8.84	8.26
2	LT 2 (a)	1027.40	1103.69	1191.35	1294.30	15.82	7.43	7.94	8.64
3	LT 2 (b)	9.64	10.39	11.15	11.88	21.13	7.79	7.24	6.55
4	LT 3	274.89	297.28	321.25	349.45	10.63	8.14	8.07	8.78
5	LT 4 (a)	3224.55	3345.73	3451.88	3584.69	8.15	3.76	3.17	3.85
6	LT 4 (b)	2.98	3.28	3.61	3.97	0.00	10.00	10.00	10.00
7	LT 4 (c)	1.28	1.40	1.51	1.63	7.56	8.78	8.17	8.17
8	LT 5	166.37	168.37	170.38	172.47	1.27	1.20	1.20	1.22
9	LT 6(a)	183.23	201.39	221.47	243.53	22.89	9.91	9.97	9.96
10	LT 6(b)	210.84	227.46	245.39	263.42	3.64	7.88	7.88	7.35
11	LT 7	17.45	19.20	21.12	23.23	14.57	10.00	10.00	10.00
	LT	5242.50	5511.54	5784.26	6105.71	9.00	5.13	4.95	5.56
12	HT 1	84.14	89.07	93.37	99.00	7.98	5.86	4.83	6.03
13	HT 2 a	1003.50	1085.00	1183.31	1284.97	0.00	8.12	9.06	8.59
14	HT 2 b	70.32	76.59	83.21	90.12	12.97	8.92	8.65	8.31
15	HT 2 c	13.27	14.51	16.06	17.96	22.36	9.34	10.68	11.85
16	HT 3 a	76.19	81.47	87.11	92.26	0.00	6.93	6.93	5.91
17	HT 4	12.87	13.07	13.27	13.48	1.53	1.54	1.54	1.54
18	HT 5	5.01	5.22	5.43	5.63	1.23	4.06	4.07	3.59
	HT	1265.29	1364.91	1481.76	1603.40	0.00	7.87	8.56	8.21
	TOTAL	6507.79	6876.46	7266.01	7709.11	6.13	5.67	5.67	6.10

1) The energy sales for metered categories for the period has been estimated on the basis of actual consumption available for FY15 and FY16 and for LT4(a), on the basis of sample studies and for BJ/KJ based on specific consumption of 17 units per installation per month.

5.2.3: Distribution Losses for FY18:

As per the audited accounts for FY1, the GESCOM has reported

The Commission in its Tariff Order dated 2nd March, 2015 had fixed the target level of losses for FY16 at 16.50%. GESCOM in its filing has proposed to achieve the following loss levels during FY17-19:

Projected Distribution Losses

Particulars	FY15	FY16	FY17	FY18	FY19
Approved Distribution Losses	18.50	16.50	17.00	16.00	15.00
Actual distribution losses	18.93	18.10	17.60 (projected)	17.00 (projected)	16.50 (projected)

5.2.4. Power purchase cost:

The average power purchase cost of FY-16, FY 17, FY18 & FY 19 is 400.22 ps, 405.22 ps and 383.06ps and 412.84 ps per unit respectively. . The transmission and SLDC cost for FY 16, FY 17, FY18 & FY 19 is Rs. 461.55crs, Rs. 405.49 crs, Rs 391.74 crs, and 414.18 crs

The total projected energy requirement for FY 18 at interface points is 8754.23 MU. The total power purchase cost is Rs. 2998.19 Crs.

Particulars	FY 16 (Actual)	FY-17		FY 18 (Projection)	FY 19 (Projection)
		(Actual up to Sept-16)	(Projection)		
Energy Purchase (MU)	8260.75	3528.84	8645.21	9059.54	9544.58
Energy at interface points (MU)	7946.02	3409.92	8345.22	8754.23	9232.47
Power Purchase cost (Rs. Crores)	2844.44	1227.44	3097.73	3078.60	3526.20
Transmission charges in Rs in Crs	459	280.25	402.84	388.58	410.88
SLDC charges in Rs in Crs	2.65	1.20	2.65	3.16	3.30
Total power purchase cost	3306.09	1508.89	3503.22	3470.34	3940.38
Cost per Unit in Paise	400.22	427.59	405.22	383.06	412.84

The power purchase requirement for FY-17 to FY-19 based on the projected sale is furnished below.

**Table:
Energy requirement for FY-17 to FY-19 in MU**

Particulars	FY-17	FY-18	FY-19
Sales (MU)	6876.46	7266.01	7709.11
Distribution losses (%)	17.6	17.00	16.5
Energy at IF point (MU)	8345.22	8754.23	9232.47
Transmission Losses MU	299.99	305.31	312.11
Energy Required to meet the sales	8645.21	9059.54	9544.57

GESCOM requests the Hon'ble commission to approve the power purchase cost.

5.2.5 Source of power:

PROJECTED ENERGY AVAILABILITY & COST FOR FINANCIAL YEAR 2017-18

- I. The energy required by ESCOMs of Karnataka for the Financial Year 2017-18 is 66655.40 MUs considering STU transmission losses of 3.37%. The ESCOM wise energy requirement is shown in as Table-1.

Table-1

ESCOMs	Energy requirement in MUs
BESCOM	31271.00
GESCOM	9059.54
HESCOM including Hukkeri Society & SEZ	12999.67
MESCOM	5585.97
CESC, Mysore	7739.22
Total	66655.40

- II. Energy being purchased by ESCOMs from different sources viz., KPCL Hydel, Thermal, Central Generating Stations , IPPs, NCE projects and others through short term purchases to meet the deficit.

a. Hydro and Thermal Stations of KPCL

The Energy availability of Hydel and Thermal stations of State Owned Power plants as per the details furnished by KPCL in their letter dated 14th November 2016 is considered. The KPCL considering the anticipated inflows based on ten years moving average less by 1% auxiliary consumption as per PPA in respect of Hydel Stations. Energy availability in respect of Thermal Stations is as per the targeted availability defined in the PPA/regulations wherever applicable and less by applicable auxiliary consumption of each station. The KPCL has projected the Energy from Yermarus Thermal Station I & II and BTPS Unit III. However, energy from these two thermal power plants are not considered since YTPS yet to declared Commercial Operation and BTPS Unit-III yet to be stabilized.

b. The availability of Energy from Hydel & Thermal Power Stations details furnished by KPCL is as shown in Table 2&3.

HYDEL ENERGY

Table-2

Sl. No.	Generating Source	Energy in MUs
1	Sharavathy valley project (Sharavathy, Linganamakki & Chakra Projects)	4914.10
2	Kali Valley projects (Nagajari & Supa Projects)	3172.76
3	Varahi Valley projects (Varahi & Mani Projects)	1068.73
4	Bhadra & Bhadra Right Bank	60.65
5	Ghataprabha(GDPH)	82.75

6	Mallapur & Others	0.00
7	Kadra Dam	362.8
8	Kodasalli Dam	340.17
9	Gerusoppa/STRP	521.59
10	Almatti Dam Power House	481.63
12	Shiva & Shimsa	292.24
13	Munirabad	91.46
14	MGHE-Jog	279.58
	Total KPCL Hydel	11668.46

THERMAL POWER STATIONS

Table-3

Sl. No.	Stations	Installed Capacity in MW	Net generation in MUs
1	RTPS I & 7	1470	8728.84
2	RTPS Unit 8	250	1515.24
3	BTPS Unit I	500	3244.90

4	BTPS Unit II	500	3297.52
Total			16786.50

- c. Total Hydel generation would be 11668.46 MUs and Thermal is around 16786.50 MUs for 2017-18, totaling to 28454.96 MUs from KPCL Station.

III. Cost Projection of KPCL Hydel and Thermal Stations

Hydel Stations:

The tariff rates worked out by KPCL based on KERC order dated 03.08.2009 for hydel stations except for Shivasamudram, Shimsha, Munirabad & MGHE. The tariff for the hydel stations is based on the design energy, over and above the design energy paid at 15 paise per kwh or 3% of the ROE whichever is less. The tariff for the Hydel station of Shiva and Shimsha, Munirabad & MGHE is based on the KERC tariff order dated 25.02.2015. The Capacity charges and primary energy rate details furnished by the KPCL is as shown in Table-4.

Table-4

Sl. No.	Source	Design energy in MUs	Paise per Unit
A	KPCL – Hydel		
1	Sharavathy valley project(Sharavathy, Linganamakki & Chakra Projects))	3737.95	44.19
2	Kali Valley projects(Nagajari & Supa Projects)	2058.77	66.69

3	Varahi Valley projects(Varahi & Mani Projects)	848.69	122.56
4	Varahi 3 &4	845	39.15
5	Bhadra & Bhadra Right Bank	50.49	367.59
6	Ghataprabha(GDPH)	84.97	198.56
7	Mallapur & Others		
8	Kadra Dam	419.90	203.86
9	Kodasalli Dam	372.48	153.57
11	Gerusoppa/STRP	442.62	164.19
12	Almatti	384.00	165.47
13	Shiva & Shimsa	249.48	99.68
14	Munirabad	64.69	68.04
15	MGHE-Jog	118.00	59.41

Note: Paise 4 as royalty charges is considered for the actual generation

KPCL Thermal Stations:

The tariff rates worked out by KPCL based on various tariff orders in respect of thermal stations 1 to 7, BTPS unit-1, BTPS Unit-2 and RTPS Unit-8 is considered. The Capacity and energy charges of all thermal station furnished by KPCL is considered and shown in Table-5.

Table-5

Sl. no.	Stations	2017-18
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		Fixed cost Rs in Crores	Variable cost Paise per Kwh
1	RTPS unit 1 to 7	810.82	334.46
2	RTPS unit-8	232.15	288.70
3	BTPS unit-1	280.73	352.40
4	BTPS unit-II	482.13	304.60

The average cost of hydel stations works out to 84.31 paise per unit and thermal units is around 435.51 paise per unit. The Income tax is included in the capacity charges component in respect of RTPS and BTPS Units. In case of hydel stations, tax component included in the primary energy charges component.

IV. Central Generating Stations

- a. ESCOMs have a share in Central Generating station of NTPC, Neyveli Lignite Corporation, Nuclear power stations and other Joint Venture Projects. The allocation of capacity entitlement from these stations includes both firm and unallocated share. The unallocated share is vary depending upon the allocation by Ministry of Power, GoI.
- b. The energy available to KPTCL depends on the scheduled generation and share in the station in a month and other parameters such as available capacity, forced outages, auxiliary consumption and planned outages. The net energy available at ex-bus generation details furnished by Central Generating Stations to CEA for preparation of LGBR for the year 2015-16 is considered for energy available for 2017-18. Out of the total month wise energy available at Ex-bus, the share of Karnataka including unallocated share for the month of October 2016 is taken to arrive the energy available to Karnataka for FY 2017-18. In order to arrive energy available at Karnataka Periphery, POC losses of injection

State/Power station and losses of withdrawal state for the week 21.11.2016 to 27.11.2016 as notified by the NLDC is taken. The schedule energy available at ex-bus and share of Karnataka is shown in Table-6 and net energy available at KPTCL periphery after considering the POC losses is shown in Table-7.

Table-6

Sl. No.	Stations	Total Energy scheduled at	Share of Karnataka	Karnataka Share in
1	RSTP-I&II	14694.00	22.429	3295.72
2	RSTP-III	3583.00	23.315	835.38
3	RSTP-Talcher	14151.00	18.857	2668.45
4	Simhadri station I & II	6955.00	24.579	1209.47
5	Vallur unit-I & II	7975.00	11.242	646.55
6	NLC II Stage-1	3386.00	27.754	939.75
7	NLC II Stage-2	4610.00	28.255	1302.56
8	NLC expansion I	2694.00	29.508	794.95
9	NLC expansion Stage II (Unit-1)	2688.00	27.618	742.37
10	Tuticorn Unit-2X 500 Mw	6634.00	22.365	783.69
11	MAPS	2633.00	7.37	194.05
12	Kaiga Unit-1& 2	2823.00	27.4	773.50
13	Kaiga Unit-3&4	2781.00	29.2	812.05
14	Kudamkulam Unit-1	6240.00	22.1	1127.04

Table-7

Stations	Energy scheduled @ generators Ex-bus in	Injection loss in %	With drawl loss in %	Injection state POC loss in MUs	Energy scheduled after Injection state loss	withdrawal state POC loss in MUs	Energy @ KPTCL periphery
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	MUs						
N.T.P.C-RSTP-I&II	3208.55	0.83	1.83	27.35	3268.36	59.81	3208.55
NTPC-III	813.28	0.83	1.83	6.93	828.44	15.16	813.28
NTPC-Talcher	2568.01	1.97	1.83	52.57	2615.89	47.87	2568.01
NLC TPS2-Stage 1	914.9	0.83	1.83	7.80	931.95	17.05	914.90
NLC TPS2-Stage 2	1268.11	0.83	1.83	10.81	1291.74	23.64	1268.11
NLC TPS1-Expn	773.92	0.83	1.83	6.60	788.35	14.43	773.92
NLC II expansion I	722.74	0.83	1.83	6.16	736.21	13.47	722.74
MAPS	190.35	0.83	1.83	0.16	193.90	3.55	190.35
Kaiga Unit 1&2	753.04	0.83	1.83	6.42	767.08	14.04	753.04
Kaiga Unit 3 &4	790.57	0.83	1.83	6.74	805.31	14.74	790.57
Simhadri Unit -1 &2	1171.54	1.33	1.83	22.74	1686.73	30.87	1655.87
Tuticorn Unit-2X 500 MW	757.2	1.58	1.83	23.44	1460.25	26.72	1433.53
KudamKulam	1339.18	1.08	1.83	12.17	1114.87	20.40	1094.47
Vallur TPS Sg I ,2 &3	631.04	0.58	1.83	5.20	891.35	16.31	875.04
DVC - Meija thermal Power Station	1446.16	1.08	1.83	16.08	1473.12	26.96	1446.16
DVC - Koderma Thermal Power Station	1807.7	1.08	1.83	20.10	1841.40	33.70	1807.70
Total	20926.23						

c. The power drawl from the Central Sector Generating Stations either through the PGCIL lines or any lines constructed by developer selected through competitive bidding route from the generating plants. ESCOMs will pay Transmission charges to PGCIL for Transmitting the CGS power and other states power. The POC charges for the quarter October-2016 to December -2016 notified by the CERC vide order dated 19.10.2016 is considered for payment of transmission charge to PGCIL for 2017-18. As per the order, charges includes POC rate, Reliability support Charges and HVDC Charges. The total transmission charges payable by ESCOMs for the year 2017-18 is Rs. 1325.65 crore, the details as shown in Table 8. The SRLDC POSOCO charges of Rs 3.48 crore for the year 2016-17 is taken for 2017-18.

Table-8

Sl no	Injection Power station	Total Capacity	Share of Karnataka	Entitlement of the States	POC Slab rate RS / MW/month	Reliability support Charges Rs./MW/month	HVDC Charges for Rs/MW / month	Total in Rs	Amount in Rs
1	RSTP	1959.72	22.429	439.55					
2	RSTP stage III	471.25	23.315	109.87					
3	Talcher	1885	18.857	355.45					
4	Simhadri	947.5	24.579	232.89					
5	NTPC Vallur	1399.65	11.242	157.35					
6	NLC stage TPS-II	521.98	27.754	144.87					

	stage-1								
7	NLC stage TPS-II stage-II	711.02	28.255	200.90					
8	NLC expansion	384.3	29.508	113.40					
9	NLC Expansion -II	450	27.618	124.28					
10	Tuticorn Unit-2X 500 Mw	947.5	22.365	211.91					
11	MAPS	393.8	7.37	29.02					
12	Kaiga Unit1&2	393.8	27.4	107.90					
	Kaiga Unit 3&4	393.8	29.2	114.99					
13	Kudamkul am Unit-1	922	22.1	203.76					
14	DVC	450	100	450					
				2996.1402	327380	25321	16010	368711	13256518074

d. The tariffs of CGS units are due for revision w.e.f 01.04.2014. However, capacity charges in respect of NTPC stations are based on tariff petition filed before CERC for the control period 2014-19 is considered for financial Year 2017-18 except for Simhadri Super Thermal Power Station Stage-II and Ramgundam Super Thermal Power Station Stage-III. The CERC issued tariff order on 29.7.2016 for Simhadri and on 8.11.2016 for Ramgundam Super thermal Station Unit III. These capacity charges are considered for 2017-18. In respect of NLC station, tariff proposed by NLC stations before CERC for the year 2017-18 is taken except for NLC I-Expansion (420 MW). The CERC issued order on 4th October 2016 for this project, the same is taken for 2017-

18. The three months average of the variable cost paid for the month from July-2016 to September-2016 is considered for NTPC, NLC MAPS, Kaiga and KudamKulam power stations. The tariff order dated 3.10.2016 of CERC in respect of Mejia Thermal Power Stations Unit Nos (7&8)(2X500MW) and 6.7.2015 order for Kodema Thermal Power Station unit No. 1& II (1000 MW) is considered for DVC projects towards capacity charges.

- e. The capacity charges (Fixed Cost) and variable cost considered for 2017-18 is shown in Table-9.

Table-9

Central Projects	FC Rs in Cr	VC Paise per Kwh
N.T.P.C-Ramagundam	239.12	213.69
NTPC-VII	61.76	209.95
NTPC-Talcher	193.32	163.00
NLC TPS2-Stage 1	82.75	265.03
NLC TPS2-Stage 2	111.42	265.03
NLC TPS1-Expn	80.74	253.67
NLC II Expansion-1	107.23	202.00
MAPS		227.59
Kaiga unit I &II		319.41

Kaiga Unit 3 &4		319.41
Simhadri Unit -1 &2	266.17	274.45
KudamKulam		436.41
Vallur TPS	237.08	219.84
Tuticorn	234.76	236.37
Damodar valley Corporation- Mejia thermal Power Station	208.22	230.73
Damodar valley Corporation- Kodemma thermal Power Station	322.72	212.10

- f. Income tax for the CGS station included in the capacity charges payment as per CERC Tariff Regulations 2014-19 and hence not considered, In case of Nuclear stations, income tax shall be claimed separately and hence considered for MAPs and Kaiga power stations.

V. Independent Power Producers

- a. The generation of 1200 MW of UPCL Unit -1 & Unit-2 taken at 85% of 90% installed capacity as per PPA/ approval. The auxiliary consumption of 5.25% as per CERC Regulation 2014 and additional auxiliary consumption 1.2% allowed by CERC vide order dated 20.02.2014 and 10.07.2015 is taken. The capacity charges determined by CERC vide order dated 10.07.2015 for 2013-14 and average variable cost paid for the month of October 2016 is considered. The energy and cost details is shown in Table-10.

Table-10

Stations	Energy in Mus	Fixed cost Rs in Cr	Variable cost Paise per Kwh
UPCL	7462.68	1231.50	259

VI. Non conventional Energy Source (NCE source)

- a. The actual generation of NCE projects for the year 2015-16 has been considered for 2017-18 including Solar, Co-generation, Bio-mass, Wind Mills and Mini Hydel projects.
- b. Project which are expected to be commissioned during 2017-18 is considered based on the details furnished by the M/s. KREDL in respect of Wind, Co-generation, Bio-mass and Hydel Generation. In addition, ESCOMs have signed PPA for 1 to 3 MW farmer based Solar PV. The rate as agreed at Rs 8.40 per unit is considered
- c. The KREDL has furnished solar projects likely to be commissioned during 2017-18 and for such projects PPA already signed with ESCOMs. The PLF is based on KERC order dated 30.7.2015 is considered to arrive energy.
- d. ESCOM wise NCE energy projected for FY 2017-18 is shown in Table 11.

Table-11

(Energy in MUs)

Minor IPPs	BESCOM	GESCOM	HESCOM	MESCOM	CESC
Existing NCE projects					
Co-generation		6.60	111.69		41.80
Bio-mass	39.36	75.92			4.43
Mini-Hydel	453.41	63.11	17.76	252.70	222.13
Windmill	2160.70	165.31	616.29	269.43	188.95
KPCL wind mill	7.80				
Solar	490.41	329.00	124.67	126.49	191.41
KPCL Solar	4.07	2.71	3.83		

NTPC Bundled Power Captive	304.68	33.10	123.12	53.83	67.39
		10.73		2.44	
			142.06		
Total D1	3460.43	686.48	1139.42	704.89	716.11
New NCE Projects					
Co-generation		0.00			
Bio-Mass	0.00	0.00			
Mini-Hydel	1.05	6.99		28.91	
Wind Mill	56.00	38.26	67.87		
Solar Park	278.49	79.74	113.39	46.73	64.41
Solar -KREDL	672.66	102.51	434.58	116.68	240.73
NTPC-Wind					
Total D2	1008.20	227.50	615.84	192.31	305.14
Total of D1&D2	4468.63	913.98	1755.26	897.20	1021.25

- e. The average cost of the year 2015-16 is considered for existing Hydro and Wind projects.
- f. In respect of new Bio-mass, Co-generation, Wind Mill and Mini Hydel the tariff considered is as per the KERC order dated 1.1.2015.
- g. The rate as per KERC order dated 24.02.2015 is considered for existing Bio Mass and Co-generation projects.
- h. In respect of Solar Power Projects, the rate obtained through tender is considered. The details is shown in Table-12 annexed.
- i. The 600 MW Solar Park expected to commission in September 2017. The tentative bundled tariff rate proposed by NTPC is 350 paise per unit.

VII. Jurala Project

The 50% of the energy from Jurala Priyadarshni Hydro Electric Projects for the year 2015-16 is considered for 2017-18 The TSERC vide tariff order dated 27.03.2015 determined the retail supply tariff for the financial year 2015-16. The same tariff is considered for FY 2017-18.

Table-13

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Total
Energy in Mus	0.00	0.00	0.00	0.00	0.00	8.35	1.07	-0.18	-0.22	-0.05	0.00	0.00	8.976
Amount in Rs Cr	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	51.17

VIII. The energy from T. B. Dam power is shared between AP/Telangana and Karnataka. The 1/5th share of revenue expenditure and energy has been shared between two states. The actual cost and energy for the FY 2015-16 is considered for 2017-18. The power purchase cost and energy from T. B. Dam has been estimated to 21.87 MUs and Rs. 2.46 crore.

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Total

Energy in Mus	0.14	0.11	-0.20	2.80	3.47	2.90	4.24	4.93	0.86	2.65	0.01	-0.04	21.87
Amount in Rs crore	0.05	0.08	0.08	0.06	0.08	0.57	0.11	0.08	0.08	0.36	0.47	0.44	2.46

IX. Medium Term Power Purchase – Co generation power plant for a period of 5 years

GoK vide order dated 11.11.2016 accorded approval to purchase power from Bagasse Based Co-generation Units of sugar factories in the State with the approval of KERC, for a period of 5 years commencing from 2016-17 at the tariff determined by KERC. As per the proposal given by South India Sugar Mills Association, 28 sugar factories with an exportable capacity of 501 MW are willing to enter into PPA with ESCOMs. The total energy expected from these sugar factories for the financial year 2017-18 considering PLF of 60% is around 1334.36 MUs. The details shown in Table-14.

Table-14

List of Sugar mills			
Sl.No.	Name of the Sugar Mill	Exportable	Energy in
A	Member Units		
1	Godavari Bio-refineries Ltd.	28.00	72.58
2	Jamakhandi Sugars Ltd -I	14.00	36.29
3	Jamakhandi Sugars Ltd -II	14.00	36.29
4	Nirani Sugars Ltd	27.00	69.98
			0.00

5	NSL Sugars Ltd, Koppa	12.50	32.40
6	Parry Sugar Industries Ltd. - Haliyal	19.50	50.54
7	EID Parry (India) Pvt Ltd (Lessee: Sadashiva	9.00	23.33
8	Shamnur sugars Ltd	10.00	25.92
9	Sri Chamundeshwari Sugars Ltd	20.00	51.84
10	Sri Prabhulingeshwara Sugars & Chemicals	25.00	64.80
11	Core Green Sugar & Fuels Pvt Ltd	15.00	38.88
12	Manali Sugars Ltd, malaghan, Bijapur	10.00	25.92
13	NsL sugars Ltd., Aland	19.00	49.25
14	NSL Sugars Ltd., Desanur (Thungabhadra)	16.80	43.55
15	Vijaynagar Sugars Ltd	16.00	41.47
16	Davanagere Sugar co.	12.00	31.10
17	Bhalkeshwara Sugars Ltd	9.00	23.33
18	G M Sugars Ltd	10.00	25.92
19	Shiraguppi Sugar Ltd	12.00	31.10
20	GEM Sugars Ltd	12.00	31.10
21	Shree Renuka Sugars Ltd., Budatti	25.00	64.80
22	Shree Renuka Sugars Ltd., Havalga	20.00	51.84
23	Shree Renuka Sugars Ltd., Munoli	15.00	38.88
24	KPR Sugars Ltd	18.00	46.66
25	Shivashakthi Sugars Ltd	24.00	62.21
26	Indian Cane Power Ltd	54.00	139.97
27	Soubhagya Lakshmi Sugar Ltd	26.00	67.39
28	Harsha Sugars Ltd	22.00	57.02
29	Sovereign Industries Ltd.		0.00
	Total	514.80	1334.36

The projected rate per unit considered for procurement of above power is Rs. 4.50/unit (short term rate approved by KERC).

- X. The projected energy and cost allocated among the ESCOMs as per GoK order dated 18.3.2016 except Sharavathy Valley Project, Kali Valley projects and RTPS Unit-1 to 7.

5.2.6: Source wise Power purchase cost and Transmission charges.

Source of Power	Power Purchase Cost Approved by the Commission			Power Purchase Cost projected		
	Energy in MU	Cost in Rs. (Crs)	Per Unit cost in Rs	Energy in MU	Cost in Rs. (Crs)	Per Unit cost in Rs
KPCL Hydel Energy	1616.385	147.498	0.913	2599.51	178.93	0.69
KPCL Thermal Energy	2593.057	1126.177	4.343	3903.15	575.84	1.48
CGS Energy	2888.503	950.379	3.290	2779.87	988.27	3.56
UPCL	1001.431	419.89	4.193	1021.12	432.98	4.24
Renewable Energy	917.87	408.581	4.451	919.66	454.56	4.94
Others	19.335	9.613	4.972	435.75	185.73	4.26
PGCIL & POSOCO Charges		128.65	0.445		0.48	#DIV/0!
KPTCL Transmission and SLDC & PGCIL POSOCO Charges		391.74	0.434		573.13	#REF!
TOTAL	9036.58	3582.53	2.880	11659.1	3389.92	2.91

5.2.7 Renewable Purchase Obligation(RPO) for FY-18:

The Status of Solar and Non-Solar RPO target and achievement by GESCOs for FY-15, FY16 & FY1													
FY	Total Power Consumed (in Mus)	Target				Achieved				Difference		Remarks	
		in %		in Mus		in %		in Mus		in Mus			
		Solar RPO Target	Non-Solar RPO Target	Solar Power Target to meet RPO	Non-Solar Power Target to meet RPO	Actual Solar power Consumed/procured	Actual Non-Solar power Consumed/procured	Actual Solar power Consumed/procured	Actual Non-Solar power Consumed/procured	Solar Obligation not met	Non-Solar Obligation not met		
15	7896.100	0.25%	7%	19.74	552.73	0.00	0.05	30.64	385.22	10.90	-167.51		
16	8244.385	0.25%	5%	20.61	412.22	0.01	0.07	45.28	569.87	24.67	157.65	Non Solar RPO for FY 2015-16 is achieved due to US-11 purchase of 271.209 MUs out of 569.866 Mus	(+ve) energy indicates excess energy above obligation & (-ve) energy indicates deficit to achieve the obligation
17 (upto Sept-16)	3660.759	0.75%	5.50%	27.46	201.34	0.01	0.06	21.47	231.68	-5.99	30.34	Non Solar RPO for FY 2016-17 is achieved due to US-11 purchase of 54.577 MUs out of 214.494 Mus	
18 (Projected)	9059.54	1.25%	6%	113.24	543.57	5.70	3.99	516.93	354.19	403.69	-189.38		

a. Non-Solar RPO

GESCOM will be able to achieve non-solar RPO of 5.7% as against target of 1.25% for FY18 specified by the Commission vide its (Procurement of Energy from Renewable Sources)(Third Amendment) Regulations, 2015.

The Commission has approved power purchase quantum of 113.34 MU for FY18. The Non-solar RPO target would be 543.57 MU.

In case, there is any need to buy RECs to meet the RPO, the cost thereon would be factored in the APR of FY18.

b. Solar RPO

GESCOM will be able to achieve solar RPO target of 3.99% as against the target of 6 % specified for FY18.

In case, there is any need to buy RECs to meet the RPO, the cost thereon would be factored in the APR of FY18.

5.2.8: O & M Expenses for FY18.

The GESCOM in its application has requested the Commission to approve O&M Expenses based on the projected R&M Expenses, A&G Expenses and Employee cost considering the following assumptions:

- i. The A&G Expense and R&M Expenses are projected considering the actual expenses incurred in the past three years.
- ii. The Employee cost is projected based on 2.5% increase in the basic pay of FY15 for onward projection for FY16-19.
- iii. 15% increase in pay for FY17 on account of proposed revision of pay scales.
- iv. Additional employee cost of Rs. 3.90 Crores, Rs. 32.76 Crores and Rs. 38.45 Crores for FY17, FY18 and FY19 respectively on account of proposed recruitment for different cadres.
- v. Terminal benefits are estimated with an increase of 2-4%.
- vi. Other allowances are considered at an increase of 15% annually.
- vii. Based on the above, GESCOM has requesting Hon'ble Commission for approval for following O&M expenses.

O&M Expenses for FY18

Amount in Rs. Crores

Particulars	FY-16	FY17	FY18	FY19
R&M cost	37.68	42.29	47.48	53.34
Employee cost	312.4	436.48	499.47	639.27
A&G expenses	70.99	91.9	102.35	114.41
Total O&M cost	421.07	570.67	649.3	807.02

5.2.8.1 Repairs and maintenance expenses.

The repairs and maintenance expenses for FY-16 was 37.68 Cr and Projected Figure for the year FY-17 , FY-18 and FY-19 is Rs. 42.29 Cr., Rs. 47.48 Cr and Rs. 53.34 Cr. Respectively on need basis.

Details of Repairs and Maintenance Cost are shown in Format D-5

5.2.8.2 Employees Cost

The Commission in its preliminary observations sought details of the increase in employee cost due to additional recruitment projected for FY17-19.

1. The Employee's cost includes the Basic pay, Dearness Allowance, Overtime allowance, other allowances, EL Encashment & Bonus/Exgratia payable to employees.
2. 2.5% increase on Basic pay of FY 15 base year for FY 16 to FY 19 and 30% increase during FY 17 on account of revision of pay scale has been considered under the basic pay.
3. While arriving the basic pay for the years FY 17 (Revised) and FY 18 to FY 19 (Projected) the employee strength is considered on the basis of

retirement and attributable employee cost for the respective years on the actual basis considered as per the date of retirement.

4. Applications are invited from the qualified and eligible candidates for the recruitment of following posts in GESCOM. It is under process, and expected to be completed in FY-18.

Expected Expenditure to be incurred towards Recruitment of posts

Sl No.	Designation	Numbers	for FY-17 (Jan-16 to Mar-16)	for FY-18	for for FY-19
1	Assistant Executive Engineer (Ele.,)	20		14400000	16560000
2	Assistant Engineer (Ele.,)	40		24000000	27600000
3	Assistant Account Officer	50		30000000	34500000
4	Junior Engineer (Ele.,)	40		19200000	22080000
5	Assistant	150		54000000	62100000
6	Junior Assistant	100		30000000	34500000
7	Junior Linemen	1300	39000000	156000000	187200000
Total		1700	3,90,00,000	32,76,00,000	38,45,40,000

5. The overtime allowance is considered at 2.5% for FY 17 & FY 18 and at 2% for FY19 as the employee working strength improves in later years due to recruitment.
6. The DA is considered at 40.25% during 3rd and 4th quarter of FY 17 and is gradually increased in the range of 3-5% each half year.

7. Bonus is considered at Rs.7500/- per employee as per the recent amendment by the central government.
8. 2-4 percent increase over previous year is considered for terminal benefits.
9. Other allowance is considered at 15% which constitutes 20% HRA at Gulbarga & 10% HRA , washing allowance, convence allowance and other items.
10. The overall employee cost is projected based on the Actual revenue expenses under this head during previous year & FY 17 (Revised) and projected for FY-18 & FY 19.

The details are furnished as in D6 format.

GESCOM requests the Hon'ble Commission to approve the same.

5.2.8.3 Administration and General (A&G) Expenses:

The Administration and General Expenses is projected based on the actual expenditure incurred during FY 14 to FY 15 on growth trend, for FY 17 to FY 19 estimated the details are furnished in Format D-7

GESCOM requests the Hon'ble commission to approve the same.

5.2.9 Depreciation:

Depreciation has been estimated at the rates prescribed by the CERC. The depreciation provided for FY 16, Rs. 127.76 Crs.

The projected Depreciation for FY 17 to FY 19 is Rs. 162.67 Crs, Rs.191.39 Crs 210.17 Crs.

The details are furnished in Format D-8.

GESCOM requests the Hon'ble Commission to approve the same.

5.2.10: Interest & Finance charges

The closing balance of loans as on 31.3.2016 is Rs. 848.40 Crores. the details of funding the CAPEX i.e Borrowing, Govt Funding as Grants, internal accrual etc is as under:

Year	FY 17	FY 18	FY 19
CAPEX	580	694	416
Borrowing	357.80	439.90	225.80
Govt works/ Ganga kalyan/ Consumer Contribution	87.08	104.10	62.50
Internal Accrual	49.35	58.99	35.43
Interest cost including the cost of short term borrowing, Interest on Power Purchase Cost & Security Deposit	406.06	514.85	591.58

GESCOM request the Hon'ble commission to approve same.

5.2.11: Interest on Capital Loans:

Interest on capital works for FY- 18 is as here under.

Interest on Capital Loans:

Amount in Rs. Crores

Particulars	FY-17	FY-18	FY-19
Interest on capital loans	118.61	152.10	171.94

Capital Loans for FY18:

Amount in Rs. Crores

Particulars	FY-17	FY-18	FY-19
Opening balance of capital loans	848.40	992.58	1291.71
Add: new capital Loans	357.80	439.9	225.8
Less: Repayments	130.03	140.77	177.52
Total capital loan at the end of the year	992.58	1291.71	1339.99
Average capital Loan	920.49	1142.15	1315.85
Interest on capital loans	118.61	152.1	171.94

5.2.12: Interest on Consumer Security Deposits for FY17-19- GESCOM's Proposal

The proposed interest on consumer deposit for FY-18 is as here under

Particulars	FY-17	FY-18	FY-19
Opening balance of consumer security deposit	449.39	471.86	495.45
Rate of Interest at bank rate to be allowed as per regulation	8	8	8
Interest on Consumer Security Deposit	35.95	37.75	39.64

5.2.13: Interest on belated payment of power purchase

It is requested to allow an amount of Rs. 216.86 Crores, towards interest on belated payment of power purchase cost for FY-18.

5.2.14 : Interest and Finance charges Capitalized:

The capitalization of interest and finance charges during FY17, FY18 and FY19 are Rs.7.87 Crores, Rs.4.49 Crores and Rs.4.28 Crores towards respectively.

The Abstract of interest and finance charges for FY18.

Amount in Rs. Crores

Particulars	FY17	FY18	FY19
Interest on Capital Loan	118.61	152.10	171.94
Interest on Working Capital loan	101.40	108.14	116.71
Interest on belated payment of power purchase cost	150.10	216.86	263.29
Interest on Consumers Security Deposit	35.95	37.75	39.64
Interest & Finance charges capitalised	-7.87	-4.49	-4.28
Interest & Finance Charges net of capitalisation	398.19	510.36	587.30

5.2.15 Other debits:

During FY16 an amount of Rs. 28.09 Crores. And it is estimated for Rs. 37.66 Crores, for FY 18. GESCOM requests the Hon'ble Commission to approval the same

5.2.16: Net prior period charges and credits:

Based on the previous year's trend of the expenses/credits booked, estimation for FY-17 to FY-19 is -15.20 Cr, Rs.-20.00Cr and Rs. -20.00 Cr respectively.

GESCOM requests the Hon'ble Commission to approve the same.

5.2.17 Return of Equity :

As per the basis detailed GESCOM humbly requests the Hon'ble commission to consider our request and allow GESCOM the RoE for FY 17 to FY 19 as herewith :

ROE Calculation	FY-17	FY-18	FY-19
Paid Up Share Capital	836.77	896.77	956.77
Share Deposit			
Reserves and Surplus (Incl Consumer Contribution & Grants)	-254.62	-141.81	4.48
Total Equity	582.15	754.96	961.25
Approved RoE @ 19.377%	112.80	146.29	186.26

5.2.18 Other Income: Based on the other income earned the other income works out to Rs. 48.99 Crores for FY 18

Particulars	FY-17	FY18	Fy-19
Other income	45.49	48.99	52.84

5.2.19 Fund towards Consumer Relations / Consumer Education:

GESCOM is educating by conducting Consumer Grievances re-addressable activities, educating about using of star rated equipemnts/using high efficiency bulbs etc. Hence requests Hon'ble Commission to provide Rs. 1.00 crore for FY-18.

5.3: Treatment of deficit:

The amount of Rs. 133.44 is the loss of FY-16 is to be carried forward to FY-18.

By considering the Deficit of FY-18 Rs. 679.41 and P&G trust amount of Rs. 262.49 the gap for FY-18 will be Rs. 1075.34 as detailed below

Sl. No	Particulars	Amount in Rs Crs
1	Deficit as per ARR for FY16.	133.44
2	Deficit for FY18	679.41
3	P&G trust amount	262.49
4	Total Gap for FY18	1075.34

5.4 Abstract of ARR for FY18:

In the light of the above analysis and decisions of the Commission, the following is the approved ARR for the control period FY17-19:

Sl No	Particulars	Unit	FY-16 (Actual)	FY-17 (Projected)	FY-18 (Projected)	FY-19 (Projected)
1	REVENUE FROM SALE OF POWER	Cr	4069.70	4041.54	4270.50	4535.97
2	REV SUBSIDIES & GRANTS	Cr	0.00	0.00	0.00	0.00
3	OTHER INCOME	Cr	39.31	45.49	48.99	52.84
	TOTAL	Cr	4109.01	4087.03	4319.49	4588.81
	EXPENDITURE					
4	PURCHASE OF POWER	Cr	2844.44	3097.73	3078.60	3526.20
5	TRANSMISSION CHARGES	Cr	459.00	402.84	388.58	410.88
6	SLDC CHARGES	Cr	2.65	2.65	3.16	3.30
7	REPAIRS & MAINTENANCE	Cr	37.68	42.29	47.48	53.34
8	EMPLOYEES COSTS	Cr	312.40	436.48	499.47	639.27
9	ADM & GENERAL EXPENSES	Cr	70.99	91.90	102.35	114.41
10	DEPRECIATION AND RELATED DTS	Cr	97.62	137.36	164.94	182.16
11	INTEREST & FINANCE CHARGES	Cr	355.89	406.06	514.85	591.58
	SUB-TOTAL	Cr	4180.67	4617.31	4799.44	5521.14
12	LESS: EXPENSES CAPITALISED:					
13	-INTEREST & FINANCE CHARGES CAPITALISED		0.00	7.87	4.49	4.28
14	-OTHER EXPENSES CAPITALISED					
	SUB-TOTAL		0.00	7.87	4.49	4.28
15	OTHER DEBITS		28.09	31.60	37.66	41.43
16	RETURN ON EQUITY*			112.80	146.29	186.26
17	EXTRAORDINARY ITEMS		0.00	0.00		0.00
18	TOTAL EXPENDITURE		4208.76	4753.84	4978.90	5744.55
19	PROFIT (LOSS) BEFORE TAX		-99.75	-666.81	-659.41	-1155.74
20	PROVISION FOR INCOME TAX		0.00	0.00	0.00	0.00
21	PROFIT (LOSS) AFTER TAX		-99.75	-666.81	-659.41	-1155.74
22	NET PRIOR PERIOD CREDITS		-33.69	-15.20	-20.00	-20.00
23	FY 16 Losses Carried Forward to FY 18				-133.44	
24	P & G Trust Contribution				-262.49	
25	SURPLUS/ (DEFICIT)		-133.44	-682.01	-1075.34	-1175.74

5.5 Segregation of ARR into ARR for Distribution Business and ARR for Retail Supply Business:

The proposal of GESCOM of ratio for segregation of consolidated ARR into ARR for Distribution Business and ARR for Retail Supply Business is as below.

Segregation of ARR - FY18

Particulars	Distribution Business	Retail Supply Business
O&M	70%	30%
Depreciation	84%	16%
Interest on Loans	100%	0%
Interest on Consumer Deposits	0%	100%
ROE	84%	16%
GFA	84%	16%

ARR FOR DISTRIBUTION BUSINESS - FY18

Amount in Rs. Crores

SINo	Particulars	FY-17	FY-18	FY-19
1	O&M Expenses	399.47	454.51	564.92
2	Depreciation	115.38	138.55	153.01
	Interest & Finance Charges			
3	Interest on Capital Loans	118.61	152.1	171.94
4	Interest on Working capital loans	85.18	90.84	98.04
5	Interest on consumer security deposits			
6	Other Interest & Finance charges	150.1	216.86	263.29
7	Less interest & other expenses capitalised	-7.87	-4.49	-4.28
8	Total	346.02	455.31	528.99
9	ROE	94.76	122.88	156.46
10	Other Debits	26.54	10	4.14
11	Prior Period Credits	-12.77	-16.8	-16.8
12	ARR Required for FY 18 in Distribution	994.93	1198.06	1424.32

ARR FOR RETAIL SUPPLY BUSINESS – FY18

Amount in Rs.Crores

SI	Particulars	FY-17	Fy18	FY-19
1	Power Purchase	3097.73	3078.6	3526.2
2	Transmission Charges	402.84	388.58	410.88
3	SLDC charges	2.65	3.16	3.3
3	O&M Expenses	171.2	194.79	242.11
4	Depreciation	21.98	26.39	29.14
	Interest & Finance Charges			
5	Interest on Capital Loans	0	0	0
6	Interest on Working capital loans	16.22	17.3	18.67
7	Interest on consumer security	35.95	37.75	39.64
8	ROE	18.05	23.41	29.8
9	Other Income	45.49	48.99	52.84
10	Fund towards Consumer	0.5	0.5	0.5
11	Other debits	5.06	6.03	6.63
12	Prior period	-2.43	-3.2	-3.2
13	ARR required for FY 18 in retail	3704.49	3701.17	4224.8

Gap in Revenue for FY17:

The net ARR and the gap in revenue for FY18 is as here under:

Revenue gap for FY18

Particulars	FY-18
Net ARR including carry forward surplus of FY16 (Rs. Crores)	4955.05
Sales (MU)	7266.01
Average cost of supply for FY18 (Ps./unit)	681.95
Revenue at existing tariff (Rs. Crores)	4270.5
Gap in revenue for FY18 (Rs. Crores)	679.41
Gap in revenue for FY16 (Rs. Crores)	133.44
Total gap (Rs. Crores)	812.85
P&G Trust amount (Rs in Crores)	262.49
Total gap with P&G Trust considered for Tariff	1075.34
Tariff increase in Ps/unit	148.00