

**BEFORE THE KERALA STATE ELECTRICITY  
REGULATORY COMMISSION**

Petition No:

In the matter of:

**Truing-Up of ARR & ERC for FY 2024-25**

Petitioner

Assistant Secretary

Thrissur Corporation

Thrissur 680001

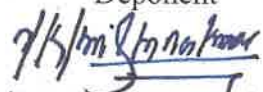
AFFIDAVIT VERIFYING THE APPLICATION ACCOMPANYING THE PETITION FOR TRUING UP OF ARR 2024-25 OF THRISSUR CORPORATION ELECTRICITY DEPARTMENT

I, N.K. Krishnakumar, (S/o of Late. V.K. Kumaran) aged 49 years, residing at, "Nambiparambil House", 18/43, Keezhmad, Erumathala P.O., Aluva - 683 112 do hereby solemnly affirm and state as follows:

I am the Assistant Secretary, Thrissur Corporation, and the petitioner in the above matter and I am duly authorized by Secretary Thrissur Corporation to make this affidavit on his behalf. I solemnly affirm at Thrissur on this, the 26th day of November 2025 that

- (i) The contents of the above petition are true to my information, knowledge and belief. I believe that no part of it is false and no material has been concealed there from.
- (ii) The statements made in paragraphs of the accompanying application are true to my knowledge and are derived from the official records made available to me and are based on the information and advice received which I believe to be true and correct.

എൻ.കെ. കുഷ്ണകുമാർ / N.K. KRISHNAKUMAR M.A., LL.M.  
 അസിസ്റ്റന്റ് സെക്രട്ടറി / ASSISTANT SECRETARY  
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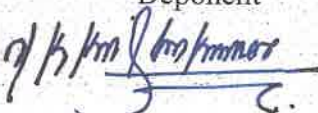
Deponent  
  
 Assistant Secretary,  
 Thrissur Corporation,  
 Thrissur- 680001

VERIFICATION

I, the above named deponent, solemnly affirm at Thrissur on this, the 26<sup>th</sup> day of November 2025 that the contents of the affidavit are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed there from.



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 Date 26-11-2025

Deponent  
  
 Assistant Secretary,  
 Thrissur Corporation,  
 Thrissur- 680001

I solemnly affirmed and signed before me.

  
 Advocate and Notary

NANCY J. THERMADHAM  
 ADVOCATE & NOTARY 2  
 ROLL No. K/75/88  
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True Up 2024–25  
Thrissur Corporation Electricity Department

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## 1. Background & Scope

### 1.1 About this Report

This Annual Report for the Financial Year 2024–25 provides a comprehensive account of the financial and operational performance of the Thrissur Corporation Electricity Department (TCED). It includes the Balance Sheet, Profit and Loss Account, Significant Accounting Policies, and Notes to Accounts, all of which have been prepared on the accrual basis of accounting in accordance with the records and registers maintained by TCED.

The Thrissur Municipal Corporation is the only urban local body in Kerala vested with the statutory authority to distribute electricity within its licensed area. This mandate is discharged through its distribution licensee, the Thrissur Corporation Electricity Department (TCED), under the provisions of the Electricity Act, 2003.

As on 31st March 2025, TCED operates within a licensed distribution area of approximately 12.65 square kilometers, supplying electricity to 42955 consumers with an annual energy sale of about 182.5 MU.

### Infrastructure Profile of TCED

Particulars	Quantity / Capacity
Consumers served	42955
Annual Energy Sales	182.5 MU
Distribution Transformers	634
Ring Main Units (RMUs)	176
Feeders	18
LT Lines	261.91 ckm
HT Lines	115.92 ckm

LT Poles	5,834
HT Poles	1,447
Rooftop / Prosumer Solar Connections	1,472 (10,550 kW)
Own Solar Plants on Thrissur Corporation Buildings	6 plants (500 kW)
Substations	33 kV, 66 kV, and 110 kV capacities

This robust infrastructure enables TCED to ensure reliable, efficient, and quality electricity supply to all categories of consumers within its licensed area.

**National Recognition in Integrated Discom Ratings 22-23 and 23-24**

TCED was ranked first among government electricity distribution departments in India in both the 12th and 13th Annual Integrated DISCOM Ratings conducted by the Ministry of Power, Government of India. The Department was awarded the prestigious A+ grade, in recognition of its operational efficiency, financial prudence, and consumer service excellence.

**Consumer Service Ratings 23-24:-**

Regarding the Hon'ble Commission's observations in the True up order for FY 2023-24 dated 09.04.2025, it is respectfully submitted that necessary steps have already been initiated to address the gaps identified in the Consumer Service Rating and to improve TCED's performance in future assessments.

In order to strengthen consumer services, TCED is presently implementing various initiatives under the RDSS. The ERP and Billing Integrator system, along with Smart Metering, has already been awarded, and the implementation is currently underway. These initiatives are expected to bring significant improvements in billing accuracy, collection efficiency, and overall service delivery to consumers.

Further, a dedicated Customer Service Cell integrated with the centralized 1912 helpline is planned to be made operational by the next financial year. This will streamline fault rectification, grievance redressal, and consumer interface, thereby enhancing responsiveness and service quality.

The above measures are aimed at addressing the areas highlighted in the Consumer Service Rating Report and are expected to result in improved grading of TCED in future evaluations.

### **1.2 Objectives of the petition**

The Annual Accounts, prepared using the accrual method of accounting, are intended to:

- present a true and fair view of TCED's financial performance for FY 2024–25,
- disclose its assets and liabilities as on 31st March 2025, and
- outline the accounting policies and methodologies followed in the preparation of financial statements.

It is further submitted that, vide notification dated 12th November 2021, the Hon'ble Kerala State Electricity Regulatory Commission (KSERC) notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, applicable for the control period FY 2022–23 to FY 2026–27, these Regulations establish a performance-based tariff framework, which:

- Allows tariff fixation based on prudently incurred costs, introduces a mechanism for sharing efficiency gains and losses, and classifies parameters as controllable and uncontrollable.

This true up petition for FY 2024–25 has been prepared in accordance with the said Regulations and is respectfully submitted before the Hon'ble Commission for its kind consideration and necessary orders

## **2. Regulatory Submissions and Financial Review**

### **2.1 Multi-Year Tariff (MYT) Petition**

In accordance with the provisions of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, TCED filed its Multi-Year Tariff (MYT) Petition for the control period 2022–23 to 2026–27 before the Hon'ble Commission on 28th January 2022.

The Petition included the following components:

- Annual Revenue Requirement (ARR)
- Expected Revenue from Charges (ERC)
- Capital Investment Plan

The submission was made in full compliance with the MYT Regulations, 2021.

Subsequently, the Petition was revised following the Tariff Revision Order issued by the Hon'ble Kerala State Electricity Regulatory Commission (KSERC), and the revised filing was submitted on 13th January 2023.

After due scrutiny, including clarifications and additional submissions made by TCED, the Hon'ble Commission:

- approved the ARR and ERC for the control period 2022–23 to 2026–27, vide Order dated 27th February 2024, and approved the Capital Investment Plan, vide Order dated 16th August 2024.

In addition, TCED has filed:

- a Petition for Additional Capital Investment Plan on 20<sup>th</sup> August 2025, and - a Petition for Mid-Term Review on 24<sup>th</sup> October 2025 before the Hon'ble Commission, covering the remaining control period of the MYT .

## 2.2 True-Up for FY 2024-25

The audited Annual Statement of Accounts for FY 2024-25, duly certified by TCED's third party auditors, has been submitted along with this Petition for the kind reference of the Hon'ble Commission.

The summary of the approved figures and the true-up request is provided below:

(Rs. In lakhs)

Particulars	Approved	True-Up	Difference
Annual Revenue Requirement (ARR)	14412.55	<b>16446.31</b>	2033.76
Expected Revenue from Charges (ERC)	14730.85	<b>16604.44</b>	1873.59
<b>Revenue Gap / Surplus</b>	318.30	<b>158.13</b>	(160.17)

## 2.3 TCED Consumer Profile

As of the reporting year, TCED serves approximately 42955 consumers, comprising:

- Domestic consumers: 23,211
- Commercial consumers: 16,463
- Non-domestic consumers: 2,249
- Industrial consumers: 490
- Agricultural consumers: 178
- Street lighting connections: 364

### 3 Energy sales & Power Purchase Cost Analysis (FY 2024–25)

#### 3.1 Energy Sales

The total energy consumption of TCED for the financial year 2024–25 was 175.82MU. The category-wise energy sales to consumers are summarized in the table below:

<b>Energy sales details for the year 2024-25</b>			
<b>Consumption Category</b>	<b>Number of consumers</b>	<b>Connected Load of consumers</b>	<b>Energy Sale</b>
		KW	MU
<b>LT Categories</b>			
<i>LT I</i>	23,211	1,27,413.00	48.38
<i>LTIVA</i>	480	4,709.00	3.48
<i>LTIVB</i>	5	144.00	0.05
<i>LTVA</i>	177	421.00	0.05
<i>LTVB</i>	1	2.00	(0.00)
<i>LTVIA</i>	249	2,510.00	2.20
<i>LTVIB</i>	455	2,855.00	2.57
<i>LTVIC</i>	501	6,115.00	5.37
<i>LTVID</i>	31	157.00	0.07
<i>LTVIE</i>	43	147.00	0.07
<i>LTVIF</i>	708	4,337.00	5.82
<i>LTVIG</i>	83	1,332.00	1.10
<i>LTVIIA</i>	14,651	61,063.00	52.63
<i>LTVIIB</i>	1,702	1,743.00	0.98
<i>LTVIIC</i>	16	488.00	0.40
<i>LTVIIB</i>	364	918.00	1.28
<i>LT II</i>	126	372.00	0.24
<i>LT IX</i>	5	423.70	0.06
<i>LT X</i>	6	159.00	0.08
<b>LT TOTAL</b>	<b>42814</b>	<b>215309</b>	<b>124.82</b>
<b>HT Categories</b>			
<i>HT-1A</i>	5	589	0.96
<i>HT-2A</i>	10	3118	3.25
<i>HT-2B</i>	29	14582	18.77
<i>HT-4A</i>	59	14718	14.60
<i>HT-4B</i>	35	11485	13.31
<b>HT TOTAL</b>	<b>138</b>	<b>44492</b>	<b>50.88</b>
<b>Self Consumption</b>	<b>3</b>	<b>109</b>	<b>0.13</b>
<b>GRAND TOTAL</b>	<b>42955</b>	<b>259910</b>	<b>175.82</b>

<b>Energy Sales analysis</b>			
<b>Category</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
	MU	MU	MU
<i><b>LTI</b></i>	40.10	47.55	48.38
<i><b>LTIVA</b></i>	3.24	3.36	3.48
<i><b>LTIVB</b></i>	0.02	0.059	0.049
<i><b>LTVA</b></i>	0.05	0.055	0.048
<i><b>LTVB</b></i>	0.0009	0.0003	0
<i><b>LTVIA</b></i>	2.16	2.24	2.2
<i><b>LTVIB</b></i>	2.49	2.65	2.57
<i><b>LTVIC</b></i>	4.73	5.27	5.37
<i><b>LTVID</b></i>	0.08	0.059	0.07
<i><b>LTVIE</b></i>	0.07	0.07	0.067
<i><b>LTVIF</b></i>	5.00	5.43	5.82
<i><b>LTVIG</b></i>	1.07	1.109	1.1
<i><b>LTVIIA</b></i>	42.15	48.85	52.62
<i><b>LTVIIB</b></i>	0.72	0.85	0.98
<i><b>LTVIIC</b></i>	0.15	0.34	0.4
<i><b>LTVIIB</b></i>	1.21	1.17	1.28
<i><b>LTII</b></i>	0.001	0.001	0.057
<i><b>LTIX</b></i>	0.07	0.08	0.24
<i><b>LTIII</b></i>	0.06	0.06	0
<i><b>LTX</b></i>	0.01	0.046	0.08
<b>LT TOTAL</b>	<b>103.52</b>	<b>119.23</b>	<b>124.81</b>
<i><b>HT-1A</b></i>	0.67	0.895	0.96
<i><b>HT-2A</b></i>	2.06	2.64	3.25
<i><b>HT-2B</b></i>	17.52	19.14	18.77
<i><b>HT-4A</b></i>	13.08	14.46	14.6
<i><b>HT-4B</b></i>	11.18	13.02	13.31
<i><b>SPS</b></i>	0.32	0.35	0
<b>HT TOTAL</b>	<b>44.84</b>	<b>50.51</b>	<b>50.89</b>
<b>Self Consumption</b>	0.13	0.13	0.12
<b>Grand Total</b>	<b>148.49</b>	<b>169.87</b>	<b>175.82</b>

The category-wise energy sales for the period from FY 2022–23 to FY 2024–25 are analysed below. The total billed energy sales have shown a consistent increase during the three-year period, reflecting steady growth across both LT and HT consumer categories.

#### 1. Low Tension (LT) Category

The LT categories exhibited marginal variations, primarily due to consumer mix changes, billing adjustments, and normal seasonal demand fluctuations. The total energy sale increased from 119.23 MU in FY 2023–24 to 124.81 MU in FY 2024–25, showing a growth of about 4.7% over the period. The LTVIIA category continues to be the leading contributor among LT consumers, with energy sales rising 7.7% from 48.85 MU in FY 2023–24 to 52.62 MU in FY 2024–25. The increase reflects higher consumption from shops, offices, and commercial establishments as business activity expanded in the licensee's area. The LT Domestic category also showed a meagre growth from 47.55 MU to 48.38 MU, attributable to the improved solar generation by domestic consumers. The non domestic tariff category remained largely stable, indicating consistent consumption patterns within the government, public and private institutional sectors. Other minor

#### 2. High Tension (HT) Category

The HT category sales increased from 50.51 MU in FY 2023–24 to 50.89 MU in FY 2024–25, reflecting a meagre growth of 0.75%. Only the IIT-2A segment registered a significant rise from 2.64 MU to 3.25 MU, driven by rise in demand. The HT-4A and HT-4B categories together account for a major share of HT sales, showing only a slight increase in units and the HT-2B category showed a slight decline from 19.14 MU to 18.77 MU in FY 2024–25, largely due to partial shift of certain consumers to solar energy option.

The total billed energy increased from 169.87 MU in FY 2023–24 to 175.82 MU in FY 2024–25, showing an increase of 3.5% over the years. The steady increase in energy sales reflects consistent economic and service-sector growth and enhanced reliability of supply.

Number of solar prosumers got doubled (i.e, from 730 to 1472) with the increase in installed capacity (i.e, from 5.56 MW to 10.55 MW) during the year 2024-25. Due to the surge in solar production, the overall deviation in consumption is less when compared to that of previous years.

### **3.2 Energy Input**

The total energy input for the year was **188.19MU**, comprising:

- Power purchased from KSEBL: 182.49 MU
- Self-generation by TCED: 0.423 MU
- Energy exported by solar prosumers: 5.28 MU exported by the solar prosumers out of the total generation of 8.68 MU

### **3.3 Distribution Loss**

The energy exported by solar prosumers to the grid and own generation of TCED have been factored along with the power purchased from KSEBL into the input side for T&D loss calculations. On the output side, solar inport units of prosumers are taken along with billed energy of non solar consumers. TCED conducts regular annual energy audits, with findings submitted to the Bureau of Energy Efficiency (BEE) and the Power Finance Corporation (PFC). Recommendations from these audits are actively implemented.

After evaluating current operational conditions and mitigation measures, TCED believes that the existing T&D loss reduction trajectory may not be fully achievable under the current targets.

For FY 2024–25, TCED achieved a distribution loss of 6.57 %, surpassing the previous year's performance. However, the targets remain challenging under current conditions. TCED is committed to addressing these challenges and participates in the Union Government's Revamped Distribution Sector Scheme (RDSS), focused on infrastructure upgrades, digitalization, and long-term loss reduction.

In view of the above, TCED respectfully requests the Hon'ble Commission to consider a distribution loss of **6.57%** for FY 2024–25, reflecting a realistic and achievable target.

Energy input including solar-	188.19 MU
Energy output including solar -	175.82 MU
Distribution loss	12.37 MU (6.57%)

#### 4. Analysis on various ARR components

##### **4.1 Cost of Power Purchase**

The energy requirement for FY 2024–25 was met through:

- Power purchase from KSEBL: **182.49 MU** at a cost of **Rs13949.35 lakhs**
- Self-generation by TCED: **0.423 MU**
- Units from solar prosumers: 8.68 MU generated by the prosumers and out of the total exported units 5.28 MU, **1.42 MU** were purchased at the rate of Rs.3.26 / unit being the banked units at the end of the settlement period amounting to **Rs. 46.25 lakhs**

Thus, the total power purchase cost for the year was **Rs. 139.96 Cr**, as detailed in Form D3.1 (4).

### Power Purchase Cost analysis

Particulars	Units	2022-23	2023-24	2024-25
(a) KSEB Ltd	MU	158.61	178.23	182.49
(b) Solar energy from prosumers	MU	0.51	0.73	1.42
Total units purchased	MU	159.12	178.96	183.91
Fixed charge	Rs. In Lakhs	1488.46	1715.09	1784.45
Energy charges	Rs. In Lakhs	10135.22	11697.73	12194.21
Incentive from KSEBL	Rs. In Lakhs	4.56		31.09
Green Tariff	Rs. In Lakhs			1.77
solar purchase	Rs. In Lakhs	13.85	22.98	46.25
<b>Total cost</b>	Rs. In Lakhs	<b>11632.97</b>	<b>13435.79</b>	<b>13995.60</b>

The approved cost of power purchase for the FY 24-25 by the Hon'ble Commission, considering distribution loss reduction targets and anticipated sales, was Rs122.95. Cr. Power purchase cost constitutes the single largest component of the ARR of TCED. During the control period under consideration, the licensee procured power mainly from KSEB Ltd and from prosumers through solar energy systems within the license area.

The following paragraphs present the year-wise details of power purchase quantum, cost components, and analysis of the trend during the period from FY 2022-23 to FY 2024-25.

#### Analysis of Power Purchase Trend

##### (a) Quantum of Purchase

The total energy purchase has increased from 159.12 MU in FY 2022-23 to 178.96 MU in FY 2023-24 showing an annual growth of 12.47% and to 183.91 MU in FY 2024-25, with an annual growth of 2.8%. The huge escalation in the power purchase during FY 23-24 is mainly attributed to the post covid surge in demand. Due to the surge in solar production, the deviation in consumption during FY 24-25 is marginal when compared to that of FY 23-24.

(b) Procurement from KSEB Ltd

The majority of power continues to be sourced from KSEB Ltd, which remains the main supplier to the licensee. The quantum of purchase has increased by 19.62 MU in FY FY 23-24 and 4.26 MU in FY 2024–25, consistent with the growth in system demand and consumer base.

(c) Solar Energy from Prosumers

Procurement from prosumer-owned solar installations has increased rapidly from 0.73 MU in FY 23-24 to 1.42 MU in FY 2024–25. This reflects the licensee's efforts to promote distributed generation and meet renewable purchase obligations through local solar energy integration.

The fixed cost payable to KSEB Ltd has risen from Rs.1488.46 lakh in FY 2022–23 to Rs.1784.45 lakh in FY 2024–25. The increase corresponds to the contracted capacity and approved tariff adjustments during the control period. Energy charges have increased from Rs.10135.22 lakh to Rs.12194.21 lakh over the same period, reflecting higher purchase quantum and revision in per-unit energy charges by KSEB Ltd. The incentive component represents the power factor incentive introduced by KSEB Ltd after execution of the PPA. It may be noted that TCED was eligible for the same incentive even prior to the execution of the PPA, but KSEB Ltd refrained from granting it for reasons best known to them. In this regard, TCED has filed a petition before the Hon'ble Commission, which is pending disposal. The increase in the green tariff and solar purchase components reflects compliance with renewable energy obligations and the growing share of prosumer-based solar procurement. The overall cost of power purchase increased from Rs.116.33 crore in FY 2022–23 to Rs.134.36 in FY 23-24 with 15.5% and to Rs.139.96 crore in FY 2024–25, marking an overall increase of about 4.2%. The rise is mainly attributed to the combined effect of higher energy requirement, renewable energy procurement, and applicable tariff revisions.

## **Settlement of Energy for Solar Prosumers**

As of March 31, 2025, 1472 solar prosumers collectively had an installed capacity of 10.55 MW, generating 8.68 MU during the year. At the end of the settlement period, 1.42 MU of energy was settled for solar prosumers. The Average Pooled Power Purchase Cost (APPC) was set at Rs. 3.26/unit, resulting in a total settlement amount of Rs.46.25 lakh.

## **4.2 O&M Expenses**

### **4.2.1 Employee Cost**

Employee costs for TCED are recognized on an accrual basis. The primary component of employee costs is basic salary of Rs. 4.95 Cr and DA of 2.17 Cr. Payments towards temporary staff wages amounts to Rs. 2.53 Cr, which includes wages to workers, lineman, junior assistant, spot billers and security staffs who works on temporary and contract basis. Employer contributions to NPS and EPF total Rs. 22.32 Lakhs, while Earned Leave encashment (including terminal surrender) Rs.61.86 Lakhs and statutory pension contributions amount to Rs.80.06 Lakhs, bonus and festival allowances Rs.11.38 Lakhs, and other allowances Rs. 6.02 Lakhs.

It is respectfully submitted that the wages of security staff, which were earlier included under Administration & General Expenses, have been reclassified under Employee Cost, since these are genuine employee-related expenditures. Security personnel are engaged by the licensee on a continuous basis for safeguarding assets and installations, and their wages are of the same nature as other staff costs. As per the KSERC Tariff Regulations and generally accepted accounting principles, all employee-related costs, whether for regular or contractual staff, are to be booked under Employee Cost. This reclassification ensures transparency, accuracy, and consistency with regulatory requirements, without creating any additional financial burden. The Hon'ble Commission is therefore requested to kindly approve this accounting treatment.

As per the 2013 Pay Revision Order, the Dearness Allowance declared by KSEBL applies to TCED employees, whereas the DA declared by the State Government has not been provided. The 2018 Pay Revision Order by KSEBL is yet to be implemented in TCED.

Although DA is revised biannually, TCED employees have not received the DA declared for State Government employees since 2020, reportedly due to an interpretation of GO (MS) 184/18 dated 12.12.2018.

Non-payment of revised DA and delays in pay revision 2018 have significantly impacted the financial well-being and standard of living of employees, and are key reasons for the reduction in actual employee costs compared to approved levels.

In addition, TCED has made a provision of Rs. 1.275 Cr for pay revision 2018 arrears on an accrual basis. Pension disbursements from TCED's own funds to retired employees are accounted as loans and advances receivable from the government, and are not included in employee costs.

In light of the above, TCED respectfully requests the Hon'ble Commission to approve an employee cost of Rs. 1229.17 Lakhs for the year as it is within the prescribed norms.

As per the direction of the Hon'ble KSERC, the TCED engaged M/s Kerala State Productivity Council (KSPC) to carry out a need-based workforce study with the objective of assessing the adequacy and deployment of manpower in various operational and administrative functions of TCED.

M/s KSPC conducted a comprehensive and scientific analysis covering workload assessment, productivity benchmarks, and comparative evaluation with similarly placed utilities. The final report of the study was submitted to TCED after detailed deliberations.

The findings and recommendations of the study were placed before the Thrissur Corporation Council for consideration. Vide Resolution No. 1 dated 29.10.2025, the Council approved the report and resolved to forward the same to the Principal Director, LSGD for further scrutiny and necessary action.

In parallel, discussions on the implementation of the 2018 Pay Revision were being held among the management, employee representatives, and the Government. Multiple rounds of consultations took place to finalize the modalities of implementation.

Since the fixation of the approved staff pattern is a prerequisite for implementing the revised pay scales, the workforce study assumes critical importance in determining the sanctioned strength and deployment structure. Accordingly, the workforce study report has been formally submitted to the Principal Director, LSGD, for approval and further processing. The matter is presently under active consideration at the Government level and is in its final stage of decision-making.

#### Employee Cost – Comparative Analysis

(Rs. In lakhs)

Particulars	2022-23 actual	2023-24 actual	2024-25 actual
Salary	743.43	722.24	743.17
DA			
HRA			
Conveyance			
Other Allowances	3.36	5.31	6.02
Employer Contribution	13.13	22.58	22.32
Earned Leave Encashment	40.87	72.69	61.86
Bonus/Festival Allowance	8.99	9.21	11.38
Wages	179.01	192.52	253.45
Pension Contribution	87.37	85.48	80.06
Grade/promotion Arrear	5.80	28.04	50.92
<b>Total</b>	<b>1,081.96</b>	<b>1138.07</b>	<b>1,229.17</b>
Approved Norms	1315.13	1373.71	1434.90

The total employee cost incurred by TCED during FY 2022-23, FY 2023-24, and FY 2024-25 amounts to Rs.1,081.96 lakh, Rs.1,138.07 lakh, and Rs.1,229.17 lakh respectively,

showing a moderate increase of 5.19% in FY 2023-24 and 8% in FY 2024-25 over the preceding years. The increase in employee cost is primarily on account of grade/promotion arrears, increase in contract wages, and periodic adjustments relating to statutory payments. It is pertinent to note that the employee cost incurred during all the three years remained well within the approved norms of the Hon'ble Commission (Rs.1, 315.13 lakh, Rs.1, 373.71 lakh, and Rs.1, 434.90 lakh respectively). The salary component decreased from Rs.743.43 lakh in FY 2022-23 to Rs.712.24 lakh in FY 2024-25. The reduction is mainly due to the retirement of several senior employees, non-filling of vacant posts, and partial reclassification of staff payments under daily wages, as a number of works were undertaken through contractual deployment during the period and non-revision of Dearness allowance to the employees. The decrease in regular salary payments is therefore offset by a corresponding rise in wages, which increased from Rs.179.01 lakh in FY 2022-23 to Rs.192.52 lakh in FY 2023-24 and Rs.253.45 lakh in FY 2024-25, registering a growth of 7.55% and 31.65 % over the preceding years. This increase is attributed to enhanced engagement of contract labour for operation, maintenance and project works, and also due to statutory revision of minimum wages.

The grade promotion arrear has shown a steep increase from Rs.5.80 lakh in FY 2022-23 to Rs.28.04 lakh in FY 2023-24 and further to Rs.50.92 lakh in FY 2024-25. This variation is due to the implementation of grade promotions and the settlement of long-pending arrears which were pending disposal before KAT. These payments are one-time in nature and have been disbursed in compliance with Corporation Council resolutions and relevant Government orders. Similarly, the earned leave encashment increased from Rs.40.87 lakh in FY 2022-23 to Rs.72.69 lakh in FY 2023-24 due to a higher number of retirements during the year, and marginally declined thereafter to Rs.61.86 lakh in FY 2024-25.

Employer contribution towards statutory benefits such as EPF and NPS increased from Rs.13.13 lakh in FY 2022-23 to Rs.22.32 lakh in FY 2024-25, consistent with the corresponding salary and wage pay outs. Pension contribution showed a marginal decline from Rs.87.37 lakh in FY 2022-23 to Rs.80.06 lakh in FY 2024-25, reflecting a gradual reduction in the number of employees under the statutory pensionable cadre. Bonus and festival allowances increased moderately, in line with approved entitlements and the

increase in eligible employees. Other allowances and conveyance components show normal inflationary movement and remain within approved norms.

The overall increase in total employee cost during FY 2022-23 to FY 2024-25 has been reasonable and is fully justified based on statutory obligations, grade revisions, retirement benefits, and manpower requirements for field operations. The expenditure levels are within the prudence limits and in compliance with KSERC-approved norms. TCED has taken consistent measures to optimize manpower deployment and has ensured that all employee-related payments are strictly as per applicable Government rules and approved scales.

Accordingly, TCED respectfully submits that the actual employee cost of Rs.1,229.17 lakh for FY 2024-25 which is incurred well below the norms approved by the Hon'ble Commission may kindly be approved for true-up.

### **Pension**

The amounts related to pension disbursement and pension contribution are not included in the ARR, dual payments are not feasible due to cash flow concerns. Accordingly, TCED has shown these amounts as receivable from the LSG Department. Continuing this practice ensures timely pension payments to retirees, in line with directions from the Government Secretary, LSGD. Detailed statements of pension contributions and adjustments are submitted monthly to the Principal Director, LSGD.

TCED has repeatedly requested that amounts spent towards pensions be adjusted against electricity duty payable to the Government. Despite repeated decisions and directions from the DRC and the Chief Secretary, no favourable response has been received from the LSGD. The summary of pension contributions, disbursements, and pending adjustment is given below:

Particulars	Amount (Rs. lakhs)	Remarks
Pension contribution by TCED during the year	80.06	As per TCED records
Pension disbursed to retired employees during the year	978.15	Includes adjustments from contributions
Total amount receivable from Government	10228	Pending reimbursement from State
Request for adjustment against Electricity Duty	120/month	No favourable response received

TCED respectfully requests the Hon'ble Commission to reconsider its stance in the earlier True-Up Orders and allow the current practice of adjusting contributions against pension disbursements to continue. It is noteworthy that the Government is permitting adjustments of electricity duty towards pension obligations for KSEBL, establishing a precedent for such treatment. In line with this, TCED has also requested the Government to allow adjustment of electricity duty payable towards pension disbursement.

During various meetings of the Distribution Reforms Committee, the Hon'ble Chief Secretary had categorically assured the issuance of a Government Order to settle the long-pending pension arrears. However, despite repeated assurances and follow-ups, no positive response has been received from the Additional Chief Secretary, Local Self Government Department (LSGD) so far. TCED had also formally requested the Finance Department to recognise the pension disbursements as a loss incurred by TCED and to appropriately factor the same while assessing state's eligibility for additional borrowing, since no direct pension allotment has been provided to TCED by the Government for several years. Regrettably, this request too has not elicited any response.

In the meantime, the Special Secretary, LSGD, through a letter no.EU3/107/2024/LSGD dated 13.10.2025 addressed to the Hon'ble Mayor, has explicitly stated that the expenditure incurred by TCED towards pension disbursement cannot be refunded at this juncture. This stand of the Department is contradictory and unjust, as the Principal Director, LSGD, continues to issue directions to TCED to disburse monthly pensions and retirement benefits from its own funds. Such directions, without corresponding reimbursement or budgetary

support, are causing significant financial stress to TCED and adversely impacting its fiscal position, particularly in view of the timely implementation of RDSS and smart meter projects.

.In view of the above, TCED humbly requests the Commission to permit continuation of the current adjustment mechanism since the pension disbursement is carried out from TCED's own fund as per specific direction from the LSGD.

#### **4.2.2 Repair and Maintenance Expense**

TCED respectfully submits that the total Repair and Maintenance (R&M) expenditure incurred during the financial year 2024–25 amounts to Rs. 99.42 lakh, as against the approved normative level of Rs. 107.70 lakh.

The expenditure under major heads is detailed below:

Plant & Machinery – Rs. 18.14 lakh

Lines & Cables – Rs. 61.59 lakh

IT & Office Equipment – Rs. 12.60 lakh

Vehicles – Rs. 3.88 lakh

Labour-Rs.2.57 lakh

The R&M expenditure for FY 2024–25 is lower than the approved level primarily due to the timely completion of preventive maintenance works, adoption of energy-efficient and durable materials, and deferral of certain non-critical repair activities to the subsequent period based on condition assessment. Despite the reduction in expenditure, all essential maintenance works were duly carried out to ensure system reliability, safety, and continuity of supply.

In view of the above, TCED humbly requests the Hon'ble Commission to kindly approve the actual R&M expenditure of Rs. 99.42 lakh for FY 2024–25, being well within the approved normative limit.

### **R and M Comparative Analysis**

<b>Particulars</b>	<b>2022-23 actual</b>	<b>2023-24 actual</b>	<b>2024-25 actual</b>
Plant & Machinery	15.82	8.63	18.14
Buildings	0.96	1.85	
Civil works		0.50	
Labour	0.47		2.57
Lines & Cables	47.26	83.06	61.59
Vehicles	1.82	1.73	3.88
Furniture & Fixtures	1.26	0.41	0.64
Office & IT equipments	11.71	7.83	12.60
<b>Total</b>	<b>79.31</b>	<b>104.01</b>	<b>99.42</b>
<b>Norms approved</b>	<b>98.71</b>	<b>103.11</b>	<b>107.70</b>

During the period from FY 2022–23 to FY 2024–25, the Repair and Maintenance (R&M) expenses of TCED have remained broadly within the norms approved by the Hon. Commission. The total R&M expenditure increased from Rs.79.31 lakh in FY 2022–23 to Rs.104.01 lakh in FY 2023–24 and thereafter marginally decreased to Rs.99.42 lakh in FY 2024–25. The increase in FY 2023–24 was mainly due to higher expenditure under “Lines and Cables” arising from major replacement and strengthening works undertaken as part of reliability improvement and loss reduction measures. The subsequent moderation in FY 2024–25 reflects completion of such activities. Head-wise, the increase in “Plant and Machinery” and “labour” in FY 2024–25 is attributable to periodic overhauling and system up gradation works. Minor variation in other heads such as “Vehicles” is due to operational requirements during the year. When viewed in aggregate, the actual R&M expenditure for all three years has either remained below or marginally in line with the approved norms, indicating prudent expenditure management and cost control. Since the actual R&M expenses did not exceed the norms for the control period and the observed variations are

only due to timing differences and specific asset replacement cycles, TCED prays to approve the R&M expenses as claimed.

#### **4.2.3 Administrative & General (A&G) Expenses –**

TCED respectfully submits for approval the A&G expenses of Rs. 331.35 Lakhs for FY 2024-25, against the normative allowance of Rs.116.59 Lakhs. The higher requirement is on account of statutory, mandatory, and unavoidable commitments, detailed below:

1. Electricity Duty & Rent – Rs. 177.47 Lakhs
  - Rent payable (Rs.7.65 Lakhs) as per Hon’ble Commission’s True-Up approval with 5% escalation.
  - Electricity Duty (Rs 169.82. Lakhs) is a legitimate expense under Section
2. Statutory / Mandatory Charges –
  - Consultancy Charges (Rs.7.96 Lakhs) – energy audit & chartered accountant fees.
  - License Fee 6.26Lakhs
3. Other Essential Expenses –
  - Conveyance (Rs. 31.37 Lakhs) – vehicle hiring including for project purposes.
  - Bank Charges (Rs.13.21 Lakhs) – for bank guarantee renewals,
  - Advertisement (Rs.24.22 Lakhs) – largely due to RDSS project-related notifications.
  - Training expenses 5.81Lakhs
  - Fuel charges 5.04 Lakhs
  - Telephone and postage Rs. 5.10 lakhs
  - Self-Consumption Charges (Rs.9.06 Lakhs).
  - Insurance Rs. 3.11 lakhs
  - Printing & stationery Rs. 4.28 Lakhs
  - Legal charges Rs. 3.20 lakhs
  - Miscellaneous Expenses Rs. 2.27 Lakhs.
  - Professional fees for DPR purchase –Rs.31.5Lakhs

The Corporation Council has resolved not to proceed with the Kannamkuzhy Small Hydel Project and has decided to request the Energy Management Centre to allot other viable and technically feasible renewable energy projects to TCED. However, the EMC, misconstruing the decision of the Corporation, has encashed the Bank Guarantee amounting to Rs.1.925 crore, in addition to retaining the deposit of an equal amount remitted by TCED at the time of project allotment. Efforts are presently underway to secure the refund of these amounts from the Government. Further, TCED had incurred an expenditure of Rs.31.51 lakh towards the purchase of the Detailed Project Report for the said project. The said amount had been accounted under Assets till date. In view of the Corporation's withdrawal from the project, the expenditure has now been transferred under Administration and General Expenses, as it constitutes a legitimate expenditure. The Hon'ble Commission may kindly take note of the above facts and accord approval for treating the expenditure towards the DPR amounting to Rs.31.51 lakh under Administration and General Expenses.

Most of the expenditures are statutory, mandatory, or one-time in nature and hence unavoidable. Disallowing them would adversely affect the operational and financial sustainability of TCED. TCED therefore humbly requests the Hon'ble Commission to approve the A&G expenses of Rs. 331.35 Lakhs for FY 2024-25 in full.

## A&G Expenses Comparative Analysis

(Rs. In lakhs)

S. No	Particulars	2022-23	2023-24	2024-25
		(Actual)	(Actual)	(Actual)
1	2	3	4	5
1	Rent Rates & Taxes	59.68	48.01	7.65
2	Insurance	4.04	2.82	3.11
3	Telephone & Postage, etc.	5.82	5.15	5.10
4	Legal charges	3.24	3.20	3.20
6	Consultancy charges	12.91	17.41	7.96
7	Other Professional charges	8.79	10.93	31.50
8	Conveyance/Vehicle hiring charges	27.47	29.23	31.37
10	Fuel charges	-	-	5.04
15	Printing & Stationery	4.16	6.06	4.28
16	Advertisements, exhibition publicity	0.32	1.95	-
18	Training expenses	0.58	-	5.81
19	Miscellaneous Expenses	7.92	4.88	2.27
24	Purchase Related Advertisement Expenses	6.50	8.81	24.22
25	Bank Charges	6.83	8.11	13.21
27	License Fee and other related fee	4.22	5.85	6.26
31	Accident Compensation	10.16	52.12	-
35	CGRF Sitting Fees	-	-	0.24
36	Others	2.89	2.34	1.25
37	Security staff wages	19.51	19.56	-
38	Self Consumption	9.26	9.58	9.06
39	PET test	22.15	-	-
41	<b>Net A&amp;G Expenses</b>	<b>217.03</b>	<b>236.01</b>	<b>161.53</b>
42	<b>Ele. Duty u/s 3(I), KED Act</b>	<b>87.38</b>	<b>98.45</b>	<b>169.82</b>
44	<b>Gross A&amp;G Expenses</b>	<b>304.42</b>	<b>334.46</b>	<b>331.35</b>
	<b>As per Norms approved</b>	<b>106.85</b>	<b>111.61</b>	<b>116.59</b>

The Administrative and General expenses for the three-year period from FY 2022–23 to FY 2024–25 reflect variations arising mainly from statutory obligations, one-time expenditures, and rationalization of certain expense heads. The gross A & G Expenses were Rs.304.42 lakh in FY 2022–23, Rs 334.46 lakh in FY 2023–24, and Rs. 331.35 lakh in FY 2024–25. The net A&G expenses excluding Electricity Duty section 3 were Rs.217.03 lakh in FY 2022–23, Rs 236.01 lakh in FY 2023–24, and Rs. 161.53 lakh in FY 2024–25 against the normative levels of Rs. 106.85 lakh, Rs. 111.61 lakh, and Rs. 116.59 lakh respectively.

In FY 2024–25, which is the year under consideration for true-up, the total A&G expenses marginally decreased to Rs. 331.35 lakh from Rs. 334.46 lakh in FY 2023–24. The decrease is mainly due to the reclassification of security staff wages, which were earlier booked under A&G, to the Employee Cost head from FY 2024–25 onwards, resulting in a reduction in that component. Apart from this rationalization, the absence of one-time expenses such as accident compensation further contributed to the reduction. However, electricity duty under the KED Act increased sharply to Rs 169.82 lakh due to statutory revision and higher energy sales, and hence remains the major uncontrollable component. Other items such as conveyance and vehicle hiring charges (Rs 31.37 lakh), professional charges (Rs 31.50 lakh), and purchase-related advertisement expenses (Rs 24.22 lakh) continued at higher levels due to procurement, tendering, and compliance-related activities essential for ongoing modernization and service improvement.

Overall, the A&G expenditure for FY 2024–25 represents a rationalized and prudently managed cost structure, with reductions achieved through reclassification and better control over discretionary expenses. Considering that the increase is primarily due to statutory and operationally essential heads, TCED respectfully requests the Hon'ble Commission to kindly approve the actual A&G expenses for FY 2024–25 as part of this True-Up Petition.

### 4.3 Fixed asset Register

As directed by the Hon'ble Commission in OP 33/2023 dated 22.11.2023, TCED engaged a professional agency for physical verification of the assets currently in use. Based on the report submitted by the agency, the Fixed Assets Register has been duly updated.

It is respectfully submitted that a slight variation was observed during the course of verification. This variation has been duly recorded, ensuring transparency and compliance. TCED humbly requests the Hon'ble Commission to consider the updated Fixed Assets Register along with the auditor's disclosure and approve the asset additions as claimed.

#### Fixed assets capitalised during the year

S. No.	Asset Group (as per notification in respect of depreciation)	Fixed Assets	
		Additions during the year	Adjustment & deducitons
1	2	5	6
1	Distribution lines	64.08	86.07
2	Plant & machinery	110.42	22.46
3	Meters	23.06	(40.81)
4	Furniture & fixtures	1.21	
5	Office Equipments	5.36	0.43
6	IT Equipments	8.39	
7	Software	2.89	
8	Vehicles	20	(14)
	Gross Asset	<b>235.40</b>	<b>54.15</b>

The gross additions to fixed assets for the year have been finalised at Rs.235.40 lakh, representing essential investments in strengthening the LT distribution system, such as Rs.64.08 lakh under distribution lines and Rs.110.42 lakh towards sub station equipment, along with additions to meters, office and IT equipment, software, furniture and vehicles.

During the physical verification of assets , an additional Rs.54.15 lakh was recognised on account of rectification of omissions due to upgradation or replacement of assets,

reclassification of assets, and inclusion of assets that were commissioned but not previously accounted for in the fixed asset register.

These adjustments reflect the reconciliation between field verified assets and book records, ensuring that the capitalisation proposed for FY 2024-25 accurately represents assets physically existing and productively deployed in TCED's distribution network.

In light of the above, TCED humbly prays that the Hon'ble Commission may kindly approve the capitalisation of fixed assets for FY 2024-25, including the additional amount of Rs.54.15 lakh in the gross value of assets recognised after physical verification, and permit the same for the purpose of true up.

#### **4.4 Consumer contribution & Inventory**

Consumer's contribution for service connection lines and associated works amount to Rs. 60.44 lakhs

##### **Inventory**

<b>Sl No</b>	<b>Particular</b>	<b>2022-23</b>
1	Opening Balance	49.85
2	Inventory capitalised during the year	133.26
3	Inventory issued for repairs and Maintenance	19.03
4	Consumption during the period (2+3)	152.29
5	Purchase during the period	118.66
6	Closing balance (1+5-4)	16.22

#### **4.5 Depreciation**

The actual depreciation for distribution assets as per the accounts for FY 2024-25 is Rs. 161.01 lakhs. Depreciation has been calculated in accordance with the provisions of the *KSERC (Terms and Conditions for Determination of Tariff), 2021* dated 16.11.2021.

In this regard, TCED has duly considered Rs. 23.65 lakhs related to consumer-contributed assets and the assets created out of regulatory assets amounting Rs. 7063.74 lakhs as explained in *Form D.3.5.(2)* After incorporating these adjustments, the final depreciation works out to Rs. 161.01 lakhs.

Accordingly, TCED respectfully requests the Hon'ble Commission to approve depreciation of Rs.161.01 lakhs for the year.

#### **4.6 Interest on Consumers' Security Deposits**

The interest on consumers' security deposits for the year 2024-25 amounts to **Rs. 313.50 lakhs**. These charges have been calculated on the security deposit amounts held from consumers on an accrual basis, at an interest rate of **6.75% per annum**.

In the MYT petition filed by TCED, the Hon'ble Commission had approved only **Rs. 95.66 lakhs** (4.5% of Rs.22.51 Cr) as interest on consumers' security deposits, against the projected claim of **Rs.189.95 lakhs for FY 2024-25**. This approval was based on the assumption of a reduction in security deposits owing to the implementation of the smart meter project, which was expected to result in refunds to consumers.

However, the smart meter project has not yet been implemented. On the contrary, during the year, the security deposit amount has **increased to 46 Cr**, leading to a corresponding rise in the interest payable on these deposits.

Therefore, TCED respectfully requests the Hon'ble Commission to approve the interest on consumers' security deposits as claimed in this True-Up petition.

#### **4.7 Interest on Normative Loan**

TCED has computed the interest on normative loan the provisions of Clause 26(3)(a) of the KSERC (Terms and Conditions for Determination of Tariff) First Amendment, 2023.

Accordingly, TCED respectfully requests approval of the total interest on normative loan amounting to Rs. 111.67 lakhs for the financial year 2024-25

### Interest and finance charges comparison

Particulars	2022-23 (actual)	2022-23 (trued up)	2023-24 (actual)	2023-24 (trued up)	2024-25 Revised
Interest on Security Deposit	174.21	168.60	295.45	295.45	313.50
Interest on normative loan	98.70	97.84	124.50	123.32	111.67
<b>Total</b>	<b>174.21</b>	<b>266.44</b>	<b>419.95</b>	<b>418.77</b>	<b>425.17</b>

### 5. Return on Net Fixed Assets (RoNFA) – FY 2024-25

The Return on Net Fixed Assets (RoNFA) for the financial year 2024-25 amounts to **Rs. 77.09 Lakhs**, calculated in accordance with the provisions outlined in the KSERC (Terms and Conditions for Determination of Tariff), 2021, dated 16.11.2021.

As per the guidelines, RoNFA is allowed at a rate of **5.5%** on the **Net Fixed Assets**, after deducting consumer contributions at the beginning of the year. The Net Fixed Assets at the beginning of the financial year stand at **Rs. 3326.80 lakhs**. After deducting consumer contributed asset value, asset addition from accumulated surplus and GFA for which interest allowed, balance NFA comes to 1401.67 lakhs. Accordingly, RoE is calculated at 5.5% of **Rs.1401.67 lakhs**, resulting in **Rs. 77.09 Lakhs**

## 6. Non-Tariff Income

As per the financial statements, the total share of other income for TCED amounts to **Rs.581.85 Lakhs** (Form D 2.4). The main components of this non-tariff income are as follows:

### a) Interest Income

- Interest from Fixed Deposits: Rs 235.05Lakhs
- Interest on Security Deposits with KSEBL: Rs.73.42 Lakhs
- Interest on belated payments: Rs.79.15 Lakhs

### b) Pole Rental Income

The pole rental income is subject to a long-standing dispute since 2018, currently under the order of the Kerala High Court. During FY 2024-25, the rent collected as per interim order amounts to **Rs. 41.7 Lakhs**.

### c) Service and Administrative Charges

- Collection Charges for Section 4 Duty: Rs. 13.06 Lakhs
- Meter Rent: Rs. 46.96 Lakhs

(d) Sale of Scrap : Rs. 57.61 Lakhs

### (e) Miscellaneous Receipts

The miscellaneous receipts of **Rs. 32.02 Lakhs** primarily include:

- Reconnection Fee: Rs. 12.61 Lakhs
- Store Occupancy Charges (SOC): Rs.4.06 Lakhs
- CDC Fee: Rs. 2.07 Lakhs

- Cost of Tender Forms: Rs. 3.36 Lakhs
- Additional Load Charge: Rs. 2.60 Lakhs
- Application Fee Income: Rs. 1.18 Lakhs
- Solar Connectivity Fee: Rs. 5.0 Lakhs
- Other income : 1.14 lakhs

### Non-Tariff Income comparative analysis

The non tariff income for the control period is shown below

Particulars	2022-23 (actual)	2023-24 (actual)	2024-25 (actual)
Meter Rent	47.06	48.76	46.96
Pole Rental Charges	45.86	52.58	41.70
Interest on FD	275.24	314.86	235.05
Commission for collection electricity duty	10.80	12.49	13.06
Recovery of theft and pilferage of energy	0.07	6.74	2.88
Penal Interest on deferred payment of bills	76.90	68.94	79.15
Interest from SD (KSEB)	36.66	63.55	73.42
Other receipts	36.92	37.05	32.02
Sale of scrap			57.61
<b>Grand Total</b>	<b>529.50</b>	<b>604.98</b>	<b>581.85</b>

### 7. Tariff Income FY 2024-25

No	category	Energy sales		Revenue	
		MU	%	Lakhs	%
1	Domestic	48.37	27.51%	3082.44	19.24%
2	Agriculture	0.05	0.03%	2.55	0.02%
3	Non Domestic	17.71	10.07%	1785.33	11.14%
4	Commercial (LT)	54	30.71%	5839.73	36.45%
5	Public Lighting	1.28	0.73%	65.58	0.41%
6	Industrial(LT)	3.53	2.01%	256.61	1.6%

7	HT	50.88	28.94%	4990.35	31.15%
	Total	175.82	100%	16022.59	100%

During FY 2024-25, the TCED recorded a total energy sale of 175.82 MU with a corresponding total tariff revenue of Rs. 16,022.59 lakhs. The consumer-category-wise energy sales and revenue realisation exhibit a stable and diversified consumer mix, reflecting the demand characteristics within the TCED license area.

**Revenue from Sale of Power (Rs In Lakhs)**

Category	2022-23 (actual)	2023-24 (actual)	2024-25 (actual)
<i>LT I</i>	2440.64	2899.65	3082.44
<i>LT IVA</i>	228.79	237.48	252.80
<i>LT IVB</i>	2.01	4.78	3.81
<i>LT VA</i>	2.21	2.45	2.54
<i>LT VB</i>	0.05	0.02	0.01
<i>LT VIA</i>	163.28	171.43	173.36
<i>LT VIB</i>	204.16	220.04	218.99
<i>LT VIC</i>	529.14	585.68	602.97
<i>LT VID</i>	1.76	1.41	1.58
<i>LT VIE</i>	4.41	4.96	4.70
<i>LT VIF</i>	511.85	562.51	603.11
<i>LT VIG</i>	108.52	113.26	114.28
<i>LT VIIA</i>	4507.85	5253.27	5720.63
<i>LT VIIB</i>	50.39	61.58	72.72
<i>LT VIIC</i>	23.62	39.87	46.39
<i>LT VIIB</i>	58.06	58.51	65.58

<b>LTH</b>	0.06	1.55	7.80
<b>LT IX</b>	15.28	15.59	43.67
<b>LT III</b>	11.30	1.10	0.00
<b>LT X</b>	0.63	3.08	5.79
<b>LT TOTAL</b>	<b>8864.00</b>	<b>10238.22</b>	<b>11023.18</b>
<b>HT Categories</b>			
<b>HT-1A</b>	56.69	73.11	78.43
<b>HT-2A</b>	155.29	206.90	253.01
<b>HT-2B</b>	1615.40	1785.17	1764.91
<b>HT-4A</b>	1359.40	1498.13	1540.57
<b>HT-4B</b>	1142.28	1325.95	1353.43
<b>SPS</b>	35.26	35.15	0.00
<b>HT TOTAL</b>	<b>4364.32</b>	<b>4924.41</b>	<b>4990.35</b>
<b>Self-Consumption</b>	9.26	9.58	9.06
<b>GRAND TOTAL</b>	<b>13237.58</b>	<b>15172.20</b>	<b>16022.59</b>

The consumer mix and revenue structure for FY 2024-25 reflect TCED's strong dependence on the HT and LT Commercial segments for revenue generation, while domestic consumption continues to form a substantial share of total energy sales. The above data is submitted for the kind consideration of the Hon'ble Commission as part of the True-Up of accounts for FY 2024-25.

## **8. Power purchase and sales trend analysis for FY 2024–25**

TCED's energy sale units increased by 3.5% while power purchase units increased only by 2.8% owing to the system efficiency and massive solar generation in FY 2024–25 over the previous year.

Power purchase cost also rose by 4.16%, which is the major portion of TCED's expenditure and revenue from sale of power by 5.6%, leaving very limited margin for O&M after meeting procurement commitments. This reflects the revenue growth is only marginal and is barely sufficient to meet the rising O&M expenses, including salary revisions, statutory obligations, and essential system upkeep.

In summary, although operational indicators show improvement, TCED's financial position remains tight, with the modest revenue increase just adequate to meet essential O&M requirements. Therefore, supportive regulatory consideration from the Hon'ble Commission is prayed.

## **9. Sundry Debtors**

As per the provisions of the KSERC (Terms and Conditions for Determination of Tariff) Regulations 2021, distribution licensees are permitted by the commission to write off bad and doubtful debts after making all reasonable efforts to recover the arrears. The Hon'ble Commission, in several true-up orders, has directed licensees to carry out age-wise analysis of receivables and to write off amounts that are found to be uncollectible after due scrutiny. In compliance with these regulatory principles, the TCED undertook extensive recovery measures through disconnection drives, Commission-approved One-Time Settlement (OTS) schemes, conducted with wide publicity during 2014, 2023 (for three months and subsequently extended for two months) and again in 2025 (for 2 months). The age wise details of the arrears at the time of implementation of OTS are given below.

<b>AGE WISE DETAILS OF THE ARREARS (upto FY 2022-23)</b>					
<b>S NO</b>	<b>CATEGORY</b>	<b>BELOW 5 YEARS</b>	<b>BETWEEN 5 TO 15 YRS</b>	<b>ABOVE 15 YRS</b>	<b>GRAND TOTAL</b>
1	GOVT	5,72,184	62,18,555	14,30,311	82,21,050
2	CORPORATION SECRETARY	38,11,755	1,68,51,279	35,67,908	2,42,30,942
3	STREETLIGHT	4,03,73,547	3,95,88,343		7,99,61,890
4	DOMESTIC	48,631	7,90,857	3,69,499	12,08,987
5	NON DOMESTIC	4,17,600	99,06,893	80,80,815	1,84,05,308
6	OLD ARREAR UPTO 3/2001			3,60,09,371	3,60,09,371
	<b>TOTAL</b>	<b>1,18,85,644</b>	<b>7,33,55,927</b>	<b>4,94,57,904</b>	<b>16,80,37,548</b>

Despite giving maximum publicity and campaign to the OTS 2023, TCED could collect only Rs.9,53,208/- towards the principal of Rs. 16.80 Cr. With the approval of the Corporation Council, the TCED floated the OTS in 2025 and collected Rs.3,90,438/- towards the arrears up to 2003 and Rs. 68,523/- towards the arrears prior to 2003. It is respectfully submitted that despite these sustained efforts, TCED could realize only a small portion of the arrears pertaining to the pre-computerization period i.e,prior to 2003 (Rs.68,523/- out of Rs. 3,60,09,371/-). These arrears relate to very old consumer accounts for which relevant documentary evidence and complete address of completely disconnected consumers for initiating Revenue Recovery proceedings are no longer available, and all reasonable collection mechanisms—such as billing, issuance of demand notices, disconnection, and the offer of settlement schemes—have been fully exhausted. In addition to that, issuing demand notice without supporting documents to prove the arrears is leading to legal battles and thereby increasing the legal charges, due to which the amount spent for court cases is always more than the revenue realised. In its Order on OP 50/2024 dated March 26, 2025, the Hon’ble Commission had also observed, while considering KDHPC’s accounts, that the treatment of bad and doubtful debts and their subsequent

write-back or write-off forms part of the normal regulatory scrutiny of licensee financial performance. Following the same regulatory approach, TCED submits that the arrears identified above are irrecoverable in nature and no longer supported by verifiable documentation.

Accordingly, TCED requests the Hon'ble Commission to approve the write-off of these long-pending irrecoverable arrears amounting to **Rs.3,59,40,848/-**, as per the powers vested with the Commission under the KSERC Regulations. Necessary accounting treatment and disclosure shall be duly made in the true-up accounts in accordance with the Commission's directions.

#### 10. Deficit / Surplus Summary for FY 2023-24.

Particulars	2022-23 (Actual)	2022-23 (Trued-up)	2023-24 (Actual)	2023-24 (Trued-up)	2024-25 (Actual)
Purchase of power	11632.97	11584.96	13435.79	13405.6	13995.60
Employee Cost	1081.96	1081.96	1138.07	1138.07	1229.17
R & M Expenses	79.31	79.31	104.01	103.11	99.42
A & G Expenses	304.42	158.91	334.46	185.75	331.35
Depreciation	231.88	127.49	119.57	119.57	161.01
Interest & Finance Charges	174.21	266.44	419.95	418.77	428.18
Provision for salary pay revision	127.50		127.50		127.50
Return on Equity	148.91	155.55	141.01	72.45	77.09
Total Expenditure	13781.16	13369.96	15927.33	15525.23	16446.31
Revenue from Sale of Power	13237.58	13237.58	15172.20	15172.20	16022.59
Non tariff Income	529.51	998.10	604.98	1332.35	581.85
Total Income	13767.09	14235.68	15777.18	16504.55	16604.44
Revenue Gap/surplus	(-) 14.07	8665.72	855.97	979.32	158.13



## 11. Prayer

The TCED respectfully submits the following for the kind consideration of the Hon'ble Commission:

### 1. Truing Up of Expenses and Revenue for FY 2024-25

TCED requests the Hon'ble Commission to approve the truing up of expenses and revenue for the financial year 2024-25. This is in recognition of the prudence and caution exercised by TCED in carrying out its duties as a public utility. Approval will ensure alignment with the actual financial performance and provide necessary adjustments to meet regulatory requirements.

### 2. Approval of deficit/surplus for FY 2024-25

TCED seeks the Commission's approval for the surplus of **Rs.158.13 lakhs** for the financial year 2024-25.

### 3. Write off of Bad debts

TCED requests the Hon'ble Commission to allow the write-off of these long-pending irrecoverable arrears upto 31/03/2003 pertaining to the pre computerisation period amounting to **Rs.3,59,40,848/-**, as per the powers vested with the Commission under the KSERC Regulations.

### 4. Any Other Relief Deemed Fit

TCED humbly requests the Hon'ble Commission to grant any other order or relief that it may deem just and appropriate, in the larger interest of fairness, justice, and the sustainability of public utility services.

Place: Thrissur

Date: 26.11.2025



  
എൻ.കെ. കുടുംബകുമാർ / N.K. KRISHNAKUMAR M.A., LL.M.  
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