

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

- Petition No. : OP 41/2014
- In the matter of : Petition for approving the recovery of capital cost for augmenting power infrastructure at Vallarpadam
- Petitioner : The Chief Mechanical Engineer, Cochin Port Trust,
Willington Island, Cochin - 682 003.
- Respondents : 1. M/s India Gateway Terminal Private Limited, (IGTPL)
Vallarpadam Special Economic Zone, Ernakulam-682 504
2. The Chief Engineer (Commercial & Tariff), KSEB Limited
Vydhyuthi Bhavan, Pattom, Thiruvananthapuram
- PRESENT** : **Shri. T.M.Manoharan, Chairman**
Shri. Mathew George, Member

ORDER DATED 28-08-2014

1. M/s Cochin Port Trust had filed a petition under clause 7(1) and 7(3) of Kerala Electricity Supply Code for recovering the expense reasonably incurred by it for providing supply to M/s Gateway Terminal Private Limited (IGTPL) in Vallarpadam special economic zone, as M/s IGTL is the only consumer in the area requested for enhancement of the requirement of power. M/s IGTPL requested to increase the contract demand to 4 MVA from 3 MVA and further to 5 MVA from 2016 onwards. The petitioner licensee, M/s.CPT prepared an estimate of Rs.40 crore for the augmentation of power infrastructure at Vallarpadam and Puthuvypin based on the cost estimates obtained from KSEBL, as certain augmentation and drawing of cables by KSEBL is also necessary for providing supply to IGTPPL. Since the expansion is only for providing supply to M/s IGTPPL, the licensee intimated the consumer to meet the capital cost for providing supply. However, the consumer M/s IGTPPL had taken a position that

the cost of expansion is not liable to be paid by them and the tariff is paid as per the rates fixed by the Commission. Hence, the petitioner approached the Commission for recovery of the cost of infrastructure either on upfront basis or as transmission charges to be recovered from the only consumer M/s IGTP.

2. The matter was heard on 24-3-2014. The Commission in its interim order dated 25-3-2014, directed the petitioner and the respondents to appraise their respective authorities about various facts in the issue and submit the response before 31-3-2014 and a team of experts be designated to scrutinise the cost estimates submitted by the petitioner once the respondents convey their remarks after the appraisal. As per the request of the petitioner, the Commission allowed M/s.KSEBL to be included as the second respondent in the matter.
3. In the meantime, the petitioner vide letter dated 7-4-2014 requested for amending the prayer of the petition so as to recover the cost of investment from the consumer as per clause 7(1) and (3) of the Supply Code 2005 / clause 36 of the Kerala Supply code 2014, instead of realising through transmission charges. The Commission accordingly issued notice to the respondents, M/s IGTP and M/s.KSEBL for furnishing their remarks on the modified prayer of the petitioner.
4. As per the directions of the Commission contained in the interim order dated 25-3-2014, M/s.IGPTL, after consulting their senior management and Board of Directors, in their letter dated 27-6-2014 informed that considering the present market scenario, the company does not require additional power in the near future and they are not in a position to ascertain the exact date from which it may require additional quantity of power. Further it is not financially feasible or viable for the company to incur additional capital expenditure for augmentation of power station at Vallarpadam. Hence, it was conveyed that the company is not in a position to make a formal application for additional quantity of power and requested to treat the request for additional power as withdrawn. In reply, M/s CPT in their letter dated 24-7-2014 informed the Commission that the petitioner will consider augmenting the power supply at a later stage as and when M/s IGTP submits formal request. The petitioner also stated that it withdraws from the arrangement with KSEBL for drawing power from Kaloor Substation in view of the stand taken by M/s IGPTL.

5. The Commission has considered the matter. The petitioner is requesting for withdrawal of the arrangement in view of the position taken by M/s IGTPL. Hence, the Commission is of the opinion that there is no point in continuing with the petition. In view of the situation, the Commission decides to treat the matter as closed and the petition is disposed of accordingly.
6. The parties may be informed accordingly.

Sd/-

Mathew George
Member

Sd/-

T.M.Manoharan
Chairman

Approved for Issue

Secretary