

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

**Present:** Sri. T. M. Manoharan, Chairman  
Sri. K. Vikraman Nair, Member  
Sri. S. Venugopal, Member

**O.P.No. 9 of 2015**

**In the matter of request for reduction in contract demand of M/s Smart City Kochi Infrastructure Private Limited, from 3000 kVA to 1500kVA provisionally for 1 year**

Petitioner : The Chief Executive Officer,  
Smart City Kochi Infrastructure Pvt. Ltd,  
Kakkanad

**Order dated 17-09-2015**

The Chief Executive Officer, Smart City Kochi Infrastructure Pvt. Ltd. Kakkanad had filed a petition as O.P No. 9 of 2015 before the Commission on 13.03.2015, seeking approval of the draft Power Purchase Agreement (PPA) to be entered into with K.S.E.B.Ltd., for the purchase of 3 MVA power at 11kV, provisionally for 1 year. The Commission had issued order on 21.05.2015, with the following directions:

Quote:

*Orders of the Commission:*

6. *The draft PPA submitted by the Petitioner M/s. Smart City Kochi Infrastructure Pvt. Ltd, Kakkanad duly initialed by both K.S.E.B.Ltd. and the Petitioner is approved.*

7. *This agreement shall remain valid for a period of 1year from the date of signing the agreement.*

8. *A copy of the PPA entered between the parties shall be submitted to the Commission for records.*

Unquote:

2. Now, The Asst. Director (Projects), Smart City Kochi Infrastructure Pvt. Ltd, vide his letter no. SCK/P-10/332/2015 dated 21<sup>st</sup> July 2015 has submitted the following:

*“ the construction of the building is fully completed and the tenant IT units have started the fit outs in the allocated space. The full usage of space by the IT units may require about 6 to 12 months. As such the power demand is progressive..In these*

*circumstances, SmartCity requested K.S.E.B.Ltd. to reduce the contract demand to 1500 kVA at the first instance. K.S.E.B.Ltd. vide letter no. KSEB/TRAC/SmartCity/Power Allo./2014/1925 dated 25-06-2015 has agreed to our request and advised to obtain approval of the Hon. KSERC for modification in the approved PPA for the revised contract demand...”*

4. Regulation 78 of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2014 deals with the approval of power purchase agreement/ arrangement. Sub Regulation (1) of the Regulation 78 stipulates the necessity of the approval of the Commission for entering into PPA.

5. The 2<sup>nd</sup> proviso to the Regulation 78 specifies that, “ *Provided further that the approval of the Commission shall also be required in accordance with this regulation for any change to an existing agreement or arrangement for power procurement, whether or not such existing agreement or arrangement was approved by the Commission.*”

#### **Decision of the Commission:**

6. Article 2.1 of the approved PPA states that, “*This agreement shall remain valid for a period of 1 (One) year from the date of signing of this agreement.*”

7. Article 3.2 states that “*K.S.E.B.Ltd. shall supply to SCK at the point of supply at SCK for distribution of electricity at the specified areas in the K.S.E.R.C. notification granting licence to SCK and SCK shall take from K.S.E.B.Ltd. power upto a quantity of 3 MVA at 11 kV at SCK for its own use and for the purpose of supply to the consumers within the area of supply as provided in the licence for distribution of electricity and as provided in the Schedule-II to this agreement.*”

8. As per Regulation 100 of the Kerala Electricity Supply Code, 2014 , as amended vide Removal of difficulties, Fifth Order, 2015 on 02-06-2015, the first reduction of the contract demand for HT consumers can be effected, only after 6 months from the date of energisation. As per the submission, the PPA is yet to be entered into between them.

9. The Commission has observed that the approved PPA to be entered into is for the purchase of power to the extent of 3MVA by the Smart City Kochi. Their request is to reduce the contract demand from 3000 kVA to 1500 kVA. The agreement is only provisional and for a period of one year.

10. In the petition dated 21.07.2015, the Assistant Director, Projects, SmartCity Kochi has submitted a copy of letter No. KSEB/TRAC/Smart City/Power Allo./ 2014/1925 dated 25.06.2015 written by the Chief Engineer (Commercial and Tariff) of KSEB Ltd to the Assistant Director, Projects, Smart City, Kochi. In the said letter it has been stated that K.S.E.B.Ltd. is willing to enter into PPA with reduced contract demand of 1500 kVA, subject to the condition that the Smart City, Kochi shall obtain approval of the Commission for the modification relating to the revised contract demand in the approved PPA. The Commission as per letter No. 0429/C.Engg/SCK/2015 dated 11-08-2015 requested K.S.E.B.Ltd. to offer their remarks on the request of the petitioner. K.S.E.B.Ltd. has, as per their letter No. KSEB/TRAC/SmartCity/Power Allo./2014/2097 dated 07-09-2015, communicated their concurrence to the proposed modification for changing the contract demand from 3000 kVA to 1500 kVA.

11. Under these circumstances, the Commission approves the request of M/s Smart City, Kochi for the reduction of the contract demand in the PPA from 3000 kVA to 1500 kVA, by substituting the term 3 MVA in article 3.2 of the PPA approved by the Commission vide order dated 21-05-2015, with the term 1500 kVA.

### **ORDER OF THE COMMISSION**

12. The request of M/s. Smart City Kochi in its letter no. SCK/P-10/332/2015 dated 21-07-2015 to allow them reduce the contract demand of 3 MVA as approved by the Commission for the execution of PPA with K.S.E.B.Ltd., to 1.5 MVA, is granted. This order is issued based on the consensus between the parties to PPA.

13. The petition is disposed of as above.

Sd/-  
**K. Vikraman Nair**  
Member

Sd/-  
**S. Venugopal**  
Member

Sd/-  
**T.M.Manoharan**  
Chairman

Approved for issue

K.B.Santhosh Kumar  
Secretary

