

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

Present: **Shri. R. Preman Dinaraj, Chairman**

**OA Nos. 27/2019, 28/2019 & 8/20**

**In the matter of** Petitions for truing up of accounts filed by M/s KINESCO Power and Utilities Private Limited (KPUPL) for the years from 2015-16 & 2016-17 and the ARR& ERC for the period 2018-19 to 2021-22.

Petitioner : KINESCO Power and Utilities Private Limited,  
Room No.302-306, 2<sup>nd</sup> Floor, CFC Buildings  
Kinfrac Park Office,  
Infopark P.O, Kakkanad  
Kochi

Respondent : Kerala State Electricity Board Limited,  
Vydyuthi Bhavanam, Pattom,  
Thiruvananthapuram

**Daily Order dated 22.06.2020**

Public hearing on the petitions for truing up of accounts filed by M/s KINESCO Power and Utilities Private Limited (KPUPL) for the years from 2015-16 to 2016-17 was conducted by video conference on 22-06-2020. M/s KINESCO Power and Utilities Private Limited (KPUPL) was represented by Smt. D.S.Girija Devi, Chief Executive Officer, Sri. S.N. Ashok Kumar Manager (Finance) and other officers of the petitioner who gave replies to queries of the Commission.

It was stated that the majority of customers of KPUPL was belonging to HT and DHT category. The total sales and revenue generated was presented by the petitioners for the period 2015-16 and 2016-17. It was also submitted that they may be allowed a higher distribution loss target as the target fixed by the Commission was stringent. It was submitted that the energy audit conducted has shown that the distribution loss was due to vast area covered wherein customers were few in number.

It was also stated that the increase in O&M expenses was mainly due to increase in employee cost and R&M expenses. During 2015-16 officers of NTPC were engaged and thereafter technical and administrative works were outsourced through contracts. During 2016-17 one more area was added in Palakkad. The issues relating to interest and finance charges, depreciation and ROE was also presented.

The ARR and ERC petitions and the Capital investment plan for the control period 2018-19 to 2021-22 was presented before the commission. The major issues were relating to T&D losses and the power factor incentive, excluding of KPUPL from RPO obligation and to allow section (3) duty as expenditure. The capital investment proposals for the control period was also presented.

Sri. Manoj.G, Asst.Executive Engineer (TRAC) presented the counter statement /comments of the respondent KSEB Ltd. and submitted the written remarks. The major points presented by the respondent KSEB Ltd are summarized as below.

- a. Before going to the merits of the petition, KSEB Ltd respectfully submitted that, the area wise split up details all revenue and expenses have not been submitted by the Licensee. Most of the figures given in the petition have been revised by the licensee vide the presentation.
- b. The T&D losses are on the higher side and the controllable matters are not attended to. KSEB Ltd referred to the statutory provisions contained in the Electricity Act, 2003 and the Code of Civil Procedure, 1908 to support their contention.
- c. KSEB Ltd pointed out that the Licensee has not purchased any REC for its obligation towards RPO.
- d. KSEB Ltd also pointed out that KPUPL should segregate assets created out of grants and consumer contribution while doing computation of depreciation.

The Commission observed that the present petitions for truing up of accounts, approval of ARR & REC and approval of Capital expenditure submitted by KPUPL needs several corrections. The Commission directed the licensee to submit actuals for 2017-18 and proper comparative statements to substantiate the changes made in the petition in comparison with the initial petition. The licensee may furnish the replies to the comments of KSEB Ltd on the petitions. The additional details and the reply to the comments may be furnished on or before 03/07/2020.

Hearing concluded. Reserved for orders.

Sd/-  
**Preman Dinaraj**  
**Chairman**

Approved for issue

C. R. Scathesh Chandran  
Secretary (i/c)