

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

Present: **Shri. R. Preman Dinaraj, Chairman**
Shri. S. Venugopal, Member

OA 31/2019

In the matter of Application on Truing up of accounts for the year 2016-17 filed by M/s Technopark

Applicant (s): The Chief Executive Officer
Technopark
Technopark Campus
Thiruvananthapuram

**Applicant (s)
represented by** : Smt. Jayanthi. L, Chief Finance Officer
Sri. Madhavan Praveen, Dy.General Manager
Sri. Anfal, Dy.Manager Electrical
Sri. Viswanathan,Assistant Manager Finance

Daily Order dated 07-02-2020

The hearing on the application for the truing up of accounts for the year 2016-17 filed by M/s Technopark was conducted on 28-01-2020 at the Court Room, Office of the Commission. Heard the applicant M/s Technopark represented by Smt. Jayanthi. L, Chief Finance Officer, Sri.Madhavan Praveen, Dy.General Manager and other officers of the licensee.Sri. Anfal, Dy.Manager, Electrical and Sri. Viswanathan, Assistant Manager Finance presented the details of the petition and gave clarifications on the queries of the Commission.

The main points made by Technopark are:-

- The total sale for the year 2016-17 is 83.79 MU and the energy purchased from KSEB Ltd to cater the requirement of the consumers of the licensee is 86.80 MU. The actual distribution loss claimed by the licensee for the financial year 2016-17 is 3.47%
- The actual revenue from sale of power claimed is Rs.5957.64 lakh for a sale of 83.79 MU.
- The non-tariff income accounted by the licensee is Rs 70.68 lakh which includes interest on security deposits with KSEB Ltd, interest on bank deposits, revenue from late payment and miscellaneous recoveries.

- The total power purchase cost for the year 2016-17 as per the petition is Rs.4975.52 lakh for a purchase of 86.80 MU.
- The actual employee cost claimed is Rs.18.14 lakh.
- The Repair and maintenance cost incurred by the licensee for the year 2016-17 is Rs.330.39 lakh for the R&M expense for the various Phases of Technopark at Thiruvananthapuram and Kollam
- A&G expense claimed by the licensee is Rs.227.33 lakh which include the major items of "Security arrangements" amounting to Rs.85.44 lakh and the electricity duty payable to the Government under Section 3(1) of the Kerala Electricity Duty Act 1963 which is Rs.49.69 lakh. An amount of Rs.46.51 lakh is also claimed as the cost of purchase of RE Certificates.
- The licensee has estimated Rs.281.00 lakh as depreciation in the straight line method
- A total amount of Rs.216.56 lakh as the interest and finance charges includes interest on loans and consumer security deposits.
- RoE claimed for the year is Rs 120.76 lakh on the basis of net fixed assets at the rate of 3%.
- Accordingly the revenue gap submitted by the licensee for the truing up of accounts of 2016-17 is Rs.141.69 lakh

Sri Suresh.A, Executive Engineer,TRAC and Sri. Manoj.G, AEE, TRAC represented KSEB Ltd. Sri. Manoj.G presented the counter statement/comments of KSEB Ltd. The major points raised by KSEB Ltd are the following:

- a. The claim of the licensee on the Operation and Maintenance cost such as R&M expenses and A&G expenses are higher than the same approved by the Commission. Hence, the Operation and Maintenance cost may be limited to the norms fixed by the Commission.
- b. The Commission may take uniform approach regarding section 3 duty and the claim of the licensee on Electricity duty may be disallowed.
- c. Depreciation for assets may be allowed only after obtaining approval of the Commission and due consideration of the vintage of the assets. It was also submitted that depreciation may be allowed only after considering the details of commissioning and the details of the asset being put into use.
- d. The depreciation may be allowed only after deducting the grants/consumer contribution from the Gross fixed assets.
- e. It was submitted that the details of the units purchased by Technopark, Trivandrum tally with the records of KSEB Ltd where as the details of the units purchased by Technopark, Kollam shows a slight difference.

The Commission directed Technopark to submit the following:

- The reason for the drastic reduction in the Distribution loss over previous year
- The licensee in the application has included the cost of Rs. 46.51 lakh for the purchase of Renewable energy certificates for meeting the renewable purchase obligation The licensee is to submit the following details regarding the purchase of Renewable energy certificates
 - Date of purchase of the certificates
 - Year pertaining to which the purchase is done
 - Price of the certificates
 - Number of certificates purchased
- The licensee may seek formal approval for the capital investments made from 2012-13 to 2016-17 including date of commencing and actual date on which the asset is put into use.
- A copy of the report submitted by Kerala State Productivity Council on the energy audit conducted along with the action taken report.
- Details with dates of the commissioning of the different phases of the licensee.

The licensee shall furnish the details before the Commission not later than on or before 08-02-2020.

Hearing concluded. Reserved for orders.

Sd/-
S.Venugopal
Member

Sd/-
Preman Dinaraj
Chairman

Approved for issue

Sd/
Secretary