

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**  
**THIRUVANANTHAPURAM**

Present: **Shri. Preman Dinaraj, Chairman**  
**Shri. S. Venugopal, Member**  
**Shri. K. Vikraman Nair, Member**

**Petition No. OP 3/2018**

In the matter of : Application for approval of Capital Investment / Expenditure for the year 2017-18

Petitioner : KINESCO Power Utilities Pvt. Ltd

Petitioner represented by : Shri. G Radhakrishna Pillai, Senior Consultant (Tech), KPUPL  
Shri. Sajeev M S, Resident Engineer, KPUPL

KSEB Ltd represented by : Smt. Meharunnisa M, EE, KSEB Ltd.  
Shri. Manoj G, AEE, KSEB Ltd.

**Order dated 28.05.2018**

1. KINESCO Power Utilities Pvt Ltd (hereinafter referred to as KPUPL) on 25.10.2017 had filed an application before the Commission for approval of the Capital Investment / expenditure of KPUPL for the year 2017-18, in its distribution license area at Kakkanad, Kalamassery and Palakkad. The summary of the capital investment proposed is given below.

Sl No	Particulars	Amount (Rs.Cr)
1	Kakkanad area	2.16
2	Kalamassery	0.41
3	Palakkad	1.48
	Total	4.05

2. The abstract of the capital works proposed in Kakkanad area is given below.

SI No	Particulars	Amount in Lakh	
1	Procurement of switch gears		
	(a) Replacement of faulty CTs of transformer	5.0	
	(b) Overhauling of 2 Nos of 110kV transformers	5.0	
	(c) Replacement of 110kV isolator	3.0	
	(d) Replacement of damaged support insulators of 110kV CB	6.0	
	(e) Overhauling of 110kV Circuit Breakers	6.0	
	(f) Replacement of DG	13.0	
	Sub total		38.0
2	Replacement of 110kV metering equipments with 0.2s class CTs and 0.2 class PT at Kakkanad		10.0
3	Procurement of Lightning Arrester		4.0
4	Procurement of ABT meter, energy meters and for purchase of new software and modems for updating existing prepaid metering system		
	(a) Procurement of ABT meter	5.0	
	(b) New software and modem for updating existing prepaid energy metering system	24.0	
	(c) Procurement of energy meters for giving new	12.0	
	(d) Setting up of test bench for metering & procurement of meter testing equipments	5.0	
	(e) Procurement of RTU( remote terminal units)	2.0	
	(f) Replacement of GE relays in 11kV breaker panels	1.0	
	Sub total		49.0
5	Expanding the electrical distribution system to KEPIP phase II area		55.0
6	Construction of store room		10.0
7	Implementation of solar Projects		50.0
	Total amount		216.0

3. The abstract of the capital works proposed in Kalamassery is given below.

SI No	Particulars	Amount in Lakh	
1	Procurement of energy meters for giving		6.0
2	Procurement of cables, RMUs, 11kV panel for redundancy of the system		
	(a) Procurement of cables	7.0	
	(b) Procurement of RMUs/ 11 kV panels	18.0	
	Sub total		25.0
3	Procurement of distribution transformer		10.0
	Total		41.0

4. The abstract of the capital works proposed in Palakkad area is given below.

Sl No	Particulars	Amount in Lakh	
1	Procurement of cables		10.0
2	Civil works for cable trench, fencing for transformers and RMUs		
	(a) Formation of cable trench	52.0	
	(b) Civil works for RMU	10.0	
	Sub total		62.0
3	Procurement of RMU		50.0
4	Procurement of distribution transformers		20.0
5	Procurement of energy meters		6.0
	Total		148.0

5. KPUGL vide the letter dated 29.12.2017 has submitted that, since the proposal of expansion of KEPIP phase-II area is not realized, the capital investment proposed for expanding the electrical distribution system of KEPIP phase II area is removed from the capital investment plan for the year 2017-18.
6. The Commission admitted the petition as OP 3/2018 and scheduled the hearing on 07.02.2018. During the hearing, Sri. Sajeev M S, Resident Engineer presented the petition on behalf of KPUGL. The representatives of M/s KPUGL submitted that, some of the essential capital investments such as replacement of the faulty CTs of the transformer, metering equipments and procurement of ABT meters were already completed.

The Commission cautioned KPUGL against such capital investment incurred without the prior approval of the Commission. As per the Regulation-72 of Tariff Regulations, 2014, it is mandatory for the distribution licensees to get the prior approval of the Commission before making any capital investment by the licensee. The Commission also clarified that, the Commission may not allow the depreciation, RoE and interest on debt etc. on the asset created without the approval of the Commission.

The Commission also noted that, the licensee has not specified the source of funds for financing the capital investment, i.e, whether the fund is from 'own fund', or by 'Government grant' or by 'debt' from financial institutions or any combination thereof. The Commission clarified that, no depreciation will be allowed on the assets created out of Government grants. The Commission also noted that, the capital cost and the tariff for the electricity generated from the proposed 110 kW solar plant is much higher than similar solar installations

by the 'Solar Energy Corporation of India (SECI)'. Hence, the Commission directed the petitioner to explore the possibilities for installing the solar plant through SECI.

7. Intervening in the hearing, the representative of the KSEB Ltd submitted that, the cost of infrastructure created for providing higher quality of services to the consumers within the area of the KPUPL may be recovered from the beneficiary consumers or using the financial assistance of the Government. The investment incurred to provide quality supply to the consumers may be recovered as per the Regulation 32 and 36 of the Kerala Electricity Supply Code, 2014.
8. During the deliberations of the subject matter, the Commission observed the following.
  - (i) As per the Regulation 72 of the Tariff Regulations, 2014, prior approval of the Commission is required for making capital investments by the licensees. This provision has not been adhered to. It is noted that, the petitioner had already made certain capital investments without the approval of the Commission. M/s KPUPL has to explain the circumstances under which such an expenditure was incurred.
  - (ii) The Commission vide the order dated 12.07.2017 in application No. OA 7/2017 has directed the petitioner to file proper application for the approval of the capital investment as per the sub-regulation (1) of the Regulation 72 of the Tariff Regulations, 2012. However, M/s KPUPL has not complied with the direction of the Commission.
  - (iii) It is not clear whether the proposed investment is for creating the basic distribution infrastructure of the licensee or for providing electricity to the individual consumers. This is required to be explained and justified.
9. Based on the deliberations during the hearing, the Commission directed the petitioner M/s KPUPL to submit proper application for capital investments, strictly as per the Regulation 72 of the Tariff Regulations, 2014, latest by 02.03.2018, along with complete justification for all deviations from Regulations in vogue with supporting documents. The daily order dated 21.02.2018 was issued as above.
10. In compliance of the directions issued by the Commission during the hearing held on KPUPL, vide its letter dated 20.2.2018 submitted additional documents. It is noted that, the additional details submitted also not strictly as per the directions of the Commission. The detailed appraisal of each items of

the CAPEX submitted by the KPUPL is given under paragraph-18 below. The summary of the revised estimate submitted by KPUPL is given below.

Sl. No.	Item Description	Quantity	Unit	Amount
				(Rs. In Lakh)
1	Replacement of faulty CTs of Transformer	3	Nos.	5.00
2	Replacement of 110 KV Isolators	1	No.	3.00
3	Replacement of damaged support insulators of 110 KV CB and column	1	No.	6.00
4	Replacement of DG set	1	Set	13.00
5	Replacement of 110 KV metering equipments with 0.2s class accuracy	1	Job	10.00
6	Replacement of faulty Las	5	Nos.	4.00
7	Procurement of ABT meter	2	Set	5.00
8	New software & modem for updating existing prepaid energy metering system	1	Job	24.00
9	Procurement of Energy meters for giving new connections	1	Job	24.00
10	Setting up of test bench for metering & procurement of meter testing equipments	1	Job	5.00
11	Procurement of Remote Terminal Unit (RTU)	1	No.	2.00
12	Replacement of GE relays in 11 KV breaker panels	1	Job	1.00
13	Construction of Store Room	1	No.	10.00
14	Implementing Solar Projects	1	Job	50.00
15	Procurement of Cables	1	Job	17.00
16	Procurement of Transformers	9	Nos.	30.00
17	Formation of cable trench	1	Job	52.00
18	Procurement of RMU	1	Job	68.00
19	Civil works for RMU	1	Job	10.00
<b>Total Estimated Amount for above all works (Rs. in Lakhs)</b>				<b>339.00</b>

KPUPL further submitted that, own fund is the source of fund for the entire investment.

11. Subsequently, the KPUPL vide the letter dated 01.03.2018 submitted that, they were forced to carry out works amounts to Rs 24.00 lakh as below.

Sl No	Items	Quantity	Units	Estimate (Rs. Lakh)	Actual amount (Rs Lakh)
1	Replacement of faulty CTs	3	Nos	5.00	5.10
2	Replacement of 110 kV metering equipments with 0.2s class accuracy	1	Job	10.00	13.37
3	Replacement of faulty Las	5	Nos	4.00	1.94
4	Procurement of ABT meter	2	Set	5.00	5.99
	Total			24.00	26.40

## Analysis and Decision

12. The Commission has examined the application filed by KPUGL for the approval of the capital investment proposed for the year 2017-18, the comments of the KSEB Ltd as per the provisions of the Electricity Act, 2003, Tariff Regulations, 2014 and other Rules and Regulations in force.
13. Kerala Industrial Infrastructure Development Corporation (KINFRA) is a statutory body of the Government of Kerala, established to develop necessary infrastructure for industrial development in the areas notified by the State Government from time to time. The main source of fund of the KINFRA is the budgetary grant provided by the State Government. KINESCO Power and Utilities Private Limited (KPUGL) is the fully owned subsidiary of KINFRA. The Commission has granted license as per the Section-14 of the EA-2003 to KPUGL for distribution of electricity in the KINFRA park at Kakkanad, Kalamassery and Palakkad.
14. The subject matter under consideration of the Commission is the application filed by KPUGL for investment approval for the capital investment proposed in its license areas at Kakkanad, Kalamassery and Palakkad.
15. In the ARR petition filed by KPUGL before the Commission for the year 2017-18 on 18.01.2017, KPUGL proposed a capital investment of Rs 405 lakh for the financial year 2017-18. In this matter, the Commission vide the order dated 12.07.2017 has issued following observations and directions to KPUGL for compliance and report.

“22. The Commission notes that the licensee has merely furnished a list of items for capital expenditure. As per the sub-regulation (1) of regulation 72 of Tariff Regulations, 2014, the distribution licensee shall ensure optimum investments in capital expenditure to enhance efficiency and productivity and to meet performance standards specified by the Commission. Such capital investment plan shall be submitted to the Commission for its approval by the licensee on or before 30th September of the current financial year. The investment plan shall be accompanied by such information, particulars and documents as may be required to substantiate the need and to justify the proposed investments. Unless the details as required are furnished, the approval for capital expenditure cannot be granted. In the absence of prior approval such expenditure cannot be considered for granting the depreciation, RoE and interest and finance charges thereon.

23. Accordingly it is hereby directed that the licensee shall furnish the necessary details as per the regulation along with the status of works as on date, separately for the approval of Commission without delay”.

16. In compliance of the direction issued by the Commission, M/s KPUPL on 28.10.2017 has submitted an application for approval of the capital investment for the financial year 2017-18. However, the application filed by the M/s.KPUPL did not contain the necessary and sufficient details including the cost estimate, need of the project, source of funds etc for appraising the proposal etc. Further, the applications filed were not as per the Regulation 72 of the Tariff Regulations, 2014. Subsequently, as per the specific direction of the Commission, the KPUPL vide the letter dated 29.12.2017 submitted the abstract of the estimate of the items given in the capital investment proposal for the FY 2017-18.
17. During the hearing on the application held on 07.02.2018, the Commission clarified that, depreciation, RoE and interest on debt etc shall not be allowed on the assets created without the approval of the Commission. The Commission vide the daily order dated 21.02.2018 directed the petitioner KPUPL to submit proper applications for capital investments, strictly as per the directions of the Regulations 72 of the Tariff Regulations, 2014 with supporting documents. In the meanwhile, based on the instruction given to the petitioner during the hearing held on 07.02.2018, KPUL vide the letter dated 20.02.2018 submitted a revised application for capital investment for an amount of Rs 339 lakh instead of the Rs 405 lakh proposed in the original proposal.
18. The brief details of the revised applications submitted by the petitioner and the Analysis and decision of the Commission on each investment proposal is given below.

- (1) Replacement of the faulty CTs Transformer- Rs 5.00 lakh.

KPUPL reported that, 12.5 MVA transformer at Kakkanad area is idle for the last two years due to the lack of three number of CTs. In order to ensure uninterrupted power supply, it is required to energise this transformer by replacing the three faulty CTs with new ones. It is also reported that, the work was done at a total cost of Rs 4,68,747.00.

Analysis and decision of the Commission

Commission noted that, the 12.5 MVA transformer was kept idle for the last two years for want of 3 CTs. It is the responsibility of the KPUPL to maintain and use its assets optimally. Henceforth, the Commission will not allow depreciation, RoE, O&M costs etc on assets created but not extending its benefits to the consumers.

However, in the present case, the Commission approves the investment made for replacing the three faulty CTs at a total cost of Rs 4.687 lakh.

- (2) Replacement of 110 kV isolators  
KPUPL reported that, there are six 110 kV isolators sets in the 110 kV substation yard at Kakkanad. During high flash, some of the isolators cracked and need to be replaced. KPUPL proposed to replace one number of isolator set at a total cost of Rs 3 lakh.

Analysis and decision of the Commission

The Commission noted the proposal. Since the financial year 2017-18 is already over, KPUPL can include the proposal in the 'capital investment plan for the financial year 2018-19'.

- (3) Replacement of damaged support insulators of 110 KV CB and breaking column – **Rs. 12 Lakhs**

KPUPL reported that, there are 5 nos of 110 KV SF6 circuit breakers in the 110 KV substation yard at Kakkanad. Out of the five circuit breakers, one breaker is of ABB make and others are Crompton Greaves make. Some of the petticoats of the support insulators and main column of 110KV circuit breaker (ABB make) of 20 MVA Transformer No. 3 and 110KV circuit breaker (CG make) of 12.5 MVA Transformer No.2 are in cracked condition. Also, the spring charging mechanism of the ABB make circuit breaker and CG make circuit breakers are showing problems at times which need replacement of parts and breaking column. KPUPL made a provision of Rs 12.00 lakh for the replacement of damaged support insulators and breaking column including supervisory and labour charges.

Analysis and decision of the Commission

Commission has noted that, M/s KPUPL has not submitted the detail estimate of the proposal. Instead, the petitioner had only submitted the rate quoted by M/s ABB for supervisory service charge @ Rs 20900/- per day and over time charges @Rs 5225/- per hour. The Commission noted that the cost of new 110kV SF6 breakers is about Rs. 5 lakh only. It is not clear from the submission of KPUL that, the amount provided is for repairing the damaged support insulators or for replacing the support insulators with new one.

Hence it is directed that, KPUPL may include the proposal for replacement of the damaged support insulators of 110 kV CB and breaking column in the CAPEX plan for the year 2018-19 with realistic cost estimate with supporting documents.



- (4) Replacement of DG sets- Rs 13 lakh  
KPUPL reported that, they are having a 62.5 KVA diesel generator set installed at 110 KV substation, Kakkanad. The existing DG set is KEL make and the year of manufacture is 2000. This was supplying auxiliary power to substation and backup power to nearby consumers of 110 kV substation during the initial periods. The existing DG set has become faulty beyond repair since many parts of the existing model are not available in the market. Purchase of a new generator is required for meeting the emergency supply for works during break down and maintenance. KPUPL reserved an amount of Rs 13.00 lakh for replacement of diesel generator sets.

Analysis and decision of the Commission

Commission has noted that, the DG set is for meeting the emergency supply for works during breakdown and maintenance for ensuring continuous supply to the consumers in the Kakkand license area of KPUPL. This is an added facility provided to the consumers in this area only. The annual recurring cost of such investments shall be directly collected from the consumers as part of the infrastructure development charges/ lease premiums etc, and this cannot be loaded in the electricity charges. The petitioner also not submitted the details of the existing faulty DG sets such as, when it was purchased, what was its original cost, when it become faulty, whether it was installed at the cost of the consumer or not, whether the monthly lease premium payable by the consumers include the cost of DG sets also.

In the above circumstances, the Commission rejects the proposal of replacement of the DG sets at a total cost of Rs 13.00 lakh as part of the capital investment of KPUPL for the financial year 2017-18.

- (5) Replacement of 110kV metering equipments with 0.2 class accuracy- Rs 10.00 lakh

KEPIP entered into an agreement with KSEB on 24-02-2006 for purchase of power to the tune of 9 MVA for distribution of electricity at the licensed area of 180 acres at Kakkanad for a period of 20 years. M/s KPUPL reported that, one of the conditions in the PPA is that, within a period of six months KEPIP shall replace all the 110 kV metering equipments such as 110 kV CTs, PTs and ToD meter with 0.2S accuracy class meters. KPUPL has provided an amount of Rs 10.0 lakh for replacing the same.

KPUPL vide the letter dated 01.03.2018 has reported that, it had already replaced the 110kV metering equipment with a total cost of Rs 13.3673 lakh.

#### Analysis and decision of the Commission

The Commission noted the submission of the KPUPL and also noted that, the original PPA with KSEB for 9 MVA power was entered on 24.02.2006. There is no provision in the said agreement for replacing the 110 kV metering equipments with 0.2 class accuracy. Subsequently, M/s KPUPL signed PPA with KSEB Ltd on 10.06.2016 for enhancing the load from 9 MVA to 18 MVA. The Article 5.2 of the said PPA stipulate that, the metering shall be as per CEA (Installation and Operation of Meters) Regulations, 2006.

M/s KPUPL proposed to replace the 110 kV metering equipments such as 110 kV CTs, PTs and ToD meter with 0.2S accuracy class meters after a gap of 12 years from the date of signing the PPA.

While filing the application for truing up the accounts for the financial year 2017-18, KPUPL shall file the actual capital cost incurred for replacing the 110 kV metering equipments with 0.2S accuracy class equipments with all supporting documents for the consideration of the Commission.

- (6) Replacement of faulty lightning arrestors (LAs)- Rs 4 lakh  
KPUPL submitted that, in order to limit the surge voltage spikes and to prevent damage to equipments and disruption of service, they had installed lightning arrestors at the receiving end of the transmission lines as well as before the transformers. The 110 KV lightning arrestors of transformer 110/11 KV No.2 were in faulty condition due to flash and all the three LAs has to be replaced to ensure protection of equipments from over voltage and current during lightning. The total capital investment for the proposal is Rs 4.00 lakh.

KPUPL vide the letter dated 01.03.2018 submitted that, they had installed the three LAs at a total cost of Rs 1.94 lakh.

#### Analysis and decision of the Commission

The Commission noted the submission of the KPUPL. While filing the application for truing up the accounts for the financial year 2017-18, KPUPL shall submit the details of the actual cost incurred for replacing the three LAs with all supporting documents. While approving the truing up of accounts for the FY 2017-18, the Commission will consider the reasonable expenditure after prudence check.

- (7) Procurement of ABT meter – Rs 5.0 lakh  
M/s KPUPL reported that, as part of procuring power for meeting RPO, they proposed to replace the existing meters with ABT meters. KPUPL

further submitted that, ABT meters are arranged after floating tender, with a total cost of Rs 5.99 lakh.

Analysis and decision of the Commission

The Commission noted the submission of the KPUPL. While filing the application for truing up the accounts for the financial year 2017-18, KPUPL shall submit the details of the actual cost incurred for procuring and installing the ABT meters. While approving the truing up of accounts for the FY 2017-18, the Commission may approve the reasonable expenditure after prudence check.

- (8) **New software & modem for updating existing prepaid energy metering system – Rs. 24 Lakhs**

KPUPL submitted that, KINESCO has been using a prepaid metering system right from the beginning of its operations as a licensee. The existing system was installed in the year 2004. The existing modem and software are based on the dial-up communication technology. Due to ageing of system and technology transfer from 2G to 4G, the meters and software were showing problems for communication with server and automatic reading of meters became impossible. In this context, the existing prepaid metering system of KPUPL became obsolete. Since metering and billing is an important part of electricity business, its upgradation is required. Hence, KPUPL proposed that, the whole system including all the meters both HT and LT, the software, 2G SIM cards and related hardware like server computer, billing computers, modems etc. have to be replaced. KPUPL reserved an amount of Rs 24.00 lakh for upgradation of software and modems.

Analysis and decision of the Commission

The Commission has noted the submission of the KPUPL, and it is found that, the licensee has not submitted the cost estimate of the proposal with supporting documents, the quantitative statement on the benefits of providing pre-paid metering system and the reduction in O&M costs on account of the same. However, KPUPL can include the proposal in the CAPEX plan for the year 2018-19 with realistic cost estimate with supporting documents.

- (9) **Procurement of Energy meters for giving new connections – Rs 24 Lakh**

KPUPL submitted that, most of the prepaid energy meters became faulty and obsolete and hence are not compatible to new communication technology. Most of the prepaid meters now available in market are smart meters with integrated technology. Hence it is proposed to change the entire existing prepaid meters with new smart

meters. M/s KPUPL made a provision of Rs 24.00 lakh for replacing the existing pre paid meters with smart meters.

Analysis and decision of the Commission

The Commission has noted that, the consumer strength of KPUPL as on date is only 291 numbers. The estimated cost per meter @ Rs 8250/- is very much on the high side. Further, the rationale for replacing the entire pre-paid meters with new smart meters has not been convincingly explained by the petitioner. Further, it is not worthwhile to convert the existing healthy meters with smart meters with one go. Hence, KPUPL may submit a comprehensive proposal for procurement of meters for the approval of the Commission with sufficient details with supporting documents, with the additional details as per the format given below.

Year	Meters purchased during the Year	Total cost incurred (Rs. Lakh)	Number of meters become faulty till date	Balance number of meters working as on date
2004-05				
..				
..				
2017-18				

**(10) Setting up of test bench for metering & procurement of meter testing equipments – Rs. 5 Lakh**

KPUPL has made a provision of Rs 5.00 lakh for the FY 2017-18 for setting up test bench and meter testing equipments etc.

Analysis and decision of the Commission

The consumer base of KPUPL is only 291 numbers and a very limited number of meters only need to be procured by KPUPL every year. The petitioner can test the meters at any of the NABL accredited labs of electrical inspectorate or KSEB Ltd. Hence the proposal of the licensee to set up a meter testing lab is rejected.

**(11) Procurement of Remote Terminal Unit (RTU) – Rs. 2 Lakh**

KPUPL submitted that, they are planning to enter into Power Trading through Open Access. Remote Terminal Unit (RTU) has to be provided as per the direction of the nodal agency KSEBL. KPUPL has made a provision of Rs 2.0 lakh for procuring the RTU.

Analysis and decision of the Commission

The Commission has noted the submission of the KPUPL and it is directed that, it may take up the matter along with the CAPEX for the financial year 2018-19, with necessary documents and other details.

(12) Replacement of GE relays in 11 kV breaker panels – **Rs. 1 Lakh**

KPUPL submitted that, over current and earth fault relays (GE) provided for 11 KV feeder panels at 110 KV substation, Kakkanad are malfunctioning and relay test team has directed to replace the existing relays with new ones for ensuring protection for the feeders. KPUPL provided a provision of Rs 1.00 lakh

Analysis and decision of the Commission

The Commission has noted the submission of the KPUPL and it is directed that, it may take up the matter along with the CAPEX for the financial year 2018-19, with necessary documents and other details.

(13) Construction of store room for KPUPL- Rs 10.00 lakh

KPUPL submitted that, they had not constructed any store room at the time of substation construction. The spares are stored in the control room of the EHT substation since inception. At present there is no space for accommodating the spare HT and EHT equipments due to the addition of control panels in the substation control room and they are stored outside the substation building. Hence KPUPL propose to construct the store room with a total cost of Rs 10.00 lakh.

Analysis and decision of the Commission

It is noted that, KPUPL has not submitted the plan, estimate and other details of the store room. Hence it is directed that, KPUPL may take this item also in the CAPEX plan for the financial year 2018-19 with all supporting documents.

(14) Implementing Solar Projects- Rs 50.00 lakh

KPUPL propose to install 110 kW solar plant at a total cost of Rs 105.99 lakh. The provision for investment made for the year 2017-18 is Rs 50.00 lakh only.

Analysis and decision of the Commission

In this matter, the Commission during the hearing held on 21.02.2018 observed that, the capital cost and the tariff for the electricity generated from the proposed 110 kW solar plant is much higher than the similar solar installation by the 'Solar Energy Corporation of India (SECI)'. Hence the Commission directed the petitioner to explore the

possibilities for installing the solar plant through SECI. However, KPUPL has not submitted any details on the compliance of the directions of the Commission. Hence, the Commission cannot consider the request for approval of the capital investment proposed for the installation of the 110kWp solar plant as such.

**(15) Procurement of Cables – Rs. 17 Lakh**

KPUPL submitted that for achieving redundancy in the ring main system to ensure uninterrupted power supply in Hi Tech Park, Kalamassery, about 750 meter of 11KV X LPE 3x300mm<sup>2</sup> cable has to be procured. Further, as part of extending supply to phase II at KIITP, Kanjikode, Palakkad, cable has to be laid in these areas for the purpose of giving supply to new LT consumers coming up in different locations.

KPUPL earmarked an amount of Rs 7.0 lakh for procuring 11KV XLPE 3x300mm<sup>2</sup> cable for Kalamassery area and Rs 10 lakh is reserved for procuring 11KV X LPE 3x300mm<sup>2</sup> cable at Palakkad license area.

Analysis and decision of the Commission

The Commission has noted the submission of the KPUPL and it is directed that, KPUPL may take up the matter along with its CAPEX for the financial year 2018-19, with necessary and sufficient documents and other details.

**(16) Procurement of Transformers – Rs. 30 Lakh**

KPUPL submitted that, for giving power supply to new LT consumers coming up in different locations at Hi Tech Park, Kalamassery, 3 nos of 160 KVA, 11KV/433 V, LT distribution transformers have to be procured. For KIITP, Palakkad, provision is made for the procurement of 6 nos. of 160 KVA, 11KV/433 V, LT distribution transformer for giving power supply to new LT consumers coming at different locations at KIITP, Palakkad.

A budget provision of Rs 10 lakh is allocated for the procurement of transformers in Kalamassery area and budget provision of Rs. 20 lakhs is allocated for the procurement of transformers in Palakkad area

Analysis and decision of the Commission

The Commission has noted that, KPUPL has not provided the details of the prospective consumers likely to avail electricity at the license area of KPUPL at Kalamassery and Palakkad. Further, the petitioner has also not submitted the detailed cost estimate for the procurement transformers and for its installation. Hence the Commission rejects the

request for approval for the procurement of the transformers as proposed by KPUPL.

(17) **Formation of cable trench – Rs. 52 Lakh**

KPUPL has submitted that, as part of extending supply to phase II at KIITP, Palakkad, cables have to be extended to the new areas considering future expansion. For this, cable trenches are to be constructed to a length of approx. 1 km, inside and outside the substation towards the areas of new consumers. An amount of Rs. 52 Lakhs is allocated for the construction of cable trench.

Analysis and decision of the Commission

In this case also, the Commission noted with concern that, the KPUPL has not submitted the detailed estimate of the proposed work, necessity, its likely benefits etc. Without such fundamental details, the Commission rejects the request for grant of approval for the proposed investments.

(18) **Procurement of RMUs– Rs. 68 Lakh**

110 kV metering equipments such as 110 kV CTs, PTs and ToD meter with 0.2S accuracy class meters KPUPL submitted that, as part of strengthening of existing distribution system additional 2 nos of 11 KV feeder panels have to be procured. This will make redundancy in the system and ring system for distribution can be formed to ensure uninterrupted supply in Hi Tech Park, Kalamassery. One no. of RMU (2 in 2 out type) is also necessary for developing this system.

The 11 KV distribution network at KIITP, Kanjikode was set up using feeder pillars instead of RMUs due to lack of budget as well as time. But as per the Electrical Inspectorate norms, feeder pillars are not allowed in the 11 KV network and hence energization approval was accorded by CEIG subject to the condition that the feeder pillars should be replaced with RMUs within one year. 8 Nos of RMUs are required for replacing existing feeder panels as per the directions of CEIG and also for establishing ring system in the distribution.

Rs. 18 Lakh is allocated for Kalamassery for the procurement of 11KV feeder panels and RMU and an amount of Rs. 50 Lakh is allocated for Palakkad for the procurement of RMUs.

Analysis and decision of the Commission

The Commission has noted that, for installing one RMU at Kalamassery, M/s KPUPL made a provision of Rs 18 lakh and where as for installing 8 RMU at Kanjikode, the provision is Rs 50.00 lakh. It is

also noted that, the petitioner has not submitted the detailed estimate of the installation of RMU at Kalamassery and Palakkad. The Commission rejects the request for grant approval for the proposed investments for want of sufficient details and documents.

(19) **Civil works for RMU – Rs. 10 Lakh**

KPUPL submitted that, the construction of foundation is necessary for the installation of Ring Main Units at KIITP, Palakkad. 8 nos of RMUs are proposed for Palakkad and hence that many foundations need to be constructed. A provision of Rs 10.00 lakh is provided for civil works of RMU.

Analysis and decision of the Commission

Commission hereby direct that, if KPUPL wishes to procure these RMUs and its installation, KPUPL should file proper petition with detailed and realistic estimates with supporting details.

19. The Commission disposes the application filed by M/s KPUPL for capital investment / expenditure for the year 2017-18 as above.

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

Sd/-  
**S. Venugopal**  
Member

Sd/-  
**Preman Dinaraj**  
Chairman

**Approved for issue**

**Secretary**