

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

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

**OA 16/2018**

**In the matter of** Application on Truing up of accounts for the year 2015-16 filed by M/s Technopark

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

**Applicant (s)  
represented by** : Sri.E.V. Einstein, Deputy Manager (Electrical)  
Sri. Viswanathan, F.O, Technopark

**Daily Order dated 05-03-2019**

Conducted hearing at Court Room, Office of the Commission on 26-02-2019. Heard the applicant M/s Technopark represented by Sri. E.V.Einstein, Deputy Manager (Electrical), and Sri. Viswanathan, Finance Officer. Sri. E.V.Einstein, presented the details of the application on the truing up of accounts for the year 2015-16 and Sri. Viswanathan gave clarifications on the queries of the Commission. The main points made by Technopark are:-

- The total sale for the year 2015-16 is 75.71 MU and the energy purchased from KSEB Ltd to cater the requirement of the consumers of the licensee is 80.39 MU. The actual distribution loss claimed by the licensee for the financial year 2015-16 is 5.83%
- The actual revenue from sale of power claimed is Rs.5336.90 lakh for a sale of 75.71 MU.
- The non-tariff income accounted by the licensee is Rs 47.57 lakh which includes interest on securities of KSEB Ltd, interest on bank deposits and miscellaneous recoveries.
- The total power purchase cost for the year 2015-16 as per the petition is Rs.4648.73 lakh for a purchase of 80.39 MU.
- The actual employee cost claimed is Rs.26.38 lakh.

- The Repair and maintenance cost incurred by the licensee for the year 2015-16 is Rs.274.50 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.156.79 lakh which include the major items of “Security arrangements” amounting to Rs.68.86 lakh and the electricity duty payable to the Government under Section 3(1) of the Kerala Electricity Duty Act 1963 which is Rs.44.90 lakh.
- The licensee has in the presentation claimed a depreciation of Rs.186.18 lakh
- The interest and finance charges claimed for the year 2015-16 includes interest on loans including working capital loan and interest on consumer security deposits amounting to Rs.263.84 lakh.
- RoE claimed for the year is Rs 129.00 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 2015-16 is Rs.300.94 lakh

Smt. Mehrunisa, Executive Engineer TRAC and Sri. Manoj.G, AEE, TRAC represented KSEB Ltd. Sri. Manoj.G presented the counter statement/comments of KSEB Ltd. and submitted written remarks on the application. The major points raised by KSEB Ltd are abstracted below.

- a. The actual T&D loss is higher than the approved loss level for the year 2015-16. The cost incurred for the additional power procurement due to excess loss may be disallowed.
- b. The claim of the licensee on the Operation and Maintenance cost such as R&M expenses, Employee cost and A&G expenses are higher than the same approved by the Commission. It was submitted that the Operation and Maintenance cost may be limited to the norms fixed by the Commission.
- c. The Commission may take uniform approach regarding section 3 duty and the claim of the licensee on Electricity duty may be disallowed.
- d. The depreciation may be allowed only after deducting the grants/consumer contribution from the Gross fixed assets.
- e. The revenue return claimed is higher than the approved level in the order on ARR&ERC.
- f. 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 during the hearing raised many issues regarding the licensee operations in the park on technical and financial matters. The Commission noted with displeasure the lack of responsiveness of the senior management of the Technopark on compliance with the directives of the Commission. The Commission also took serious note of the continued absence of the senior management during the proceedings of the Commission. This practice is not desirable and the Commission insists that the representation of senior management during the regulatory proceedings is compulsory. The Commission also noted that the expenses of the licensee are not prudent and no efforts are made by the licensee to reduce the expenditure, as directed by the Commission in the earlier proceedings.

The Commission also directed Technopark to submit the following:

- The petitions for truing up the accounts for the financial years 2016-17 and 2017-18 are to be filed at the earliest.
- The licensee may seek formal approval for the capital investments made from 2012-13 to 2014-15 and from 2015-16 to 2016-17.
- The licensee may also reconcile the sale of power at Technopark Kollam with KSEB Ltd.
- Phasewise details of the R&M expense booked for 2014-15 & 2015-16 and the date of commencement of the R&M contracts for the newly commissioned phases.
- The licensee may clarify the reason for not regularizing the supply at Kollam campus and the reason for the delay in commissioning the substation. Also the details of the capitalization of the assets.
- Details with dates of the commissioning of the different phases of the licensee.
- Details of the major defaulters having arrears for more than three months.
- Details of the meters replaced during the past five years
- Details of the periodic inspections and energy audit conducted by the licensee.
- The reason for the decrease in the non-tariff income over the previous year.

The licensee shall furnish the reply on the counter statement submitted by KSEB Ltd and the details called for by the Commission, on or before 15-03-2019.

Hearing concluded. Reserved for orders.

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

Sd/-  
**S.Venugopal**  
Member

Sd/-  
**Preman Dinaraj**  
Chairman

Approved for issue  
Sd/-  
**G.Jyothichudan**  
Secretary