

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

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

**OA 03/2019**

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

**Applicant(s)** : Chief Executive Officer  
Infopark,  
Thapasya, Kusumagiri  
Kakkanad  
Cochin 682030

**Applicant(s) represented** : Sri. V.R.Vijayan, Head- Projects & Engineering,  
Sri.Sarathchandran, Engineer-Projects  
Sri.Santhosh. V, Manager - Finance

**Daily Order dated 01-04-2019**

Conducted hearing on the application for Truing up of accounts for the year 2016-17 filed by M/s Infopark at the Conference Hall of Infopark, Phase II, Kochi on 22-03-2019. The licensee was represented by Sri. V.R.Vijayan, Head- Projects & Engineering, Sri.Sarathchandran (Engineer-Projects) and Sri. Santhosh. V (Manager - Finance). Sri.Sarathchandran presented the details of the application and Sri Vijayan responded to the queries of the Commission. The main points submitted in the petition are briefed below.

- The licensee had projected the sale of 8.20 MU for 2016-17 whereas the actual sale was only 6.03 MU. The major sale is to the HT I B category (Phase II- Kakkanad Campus). The licensee has stated that the projected sales to the HT category did not materialise due to the reasons that M/s Cognizant Technologies one of the HT consumer with 3000 kVA contract demand commenced operations in December, 2014, but the actual demand is around 1000kVA only and the construction of the IT building owned by Infopark got delayed due to legal issues and the construction completed in January 2017 only.

- The actual distribution loss of Infopark for the year 2016-17 is 7.09%. The Commission had approved a distribution loss of 6.14% while truing up the accounts for 2015-16.
- For a purchase of 6.49 MU in 2016-17, the power purchase cost claimed Rs.469.99 lakh which includes an amount of Rs.8.30 Lakh towards purchase of REC for meeting RPO.
- The licensee submitted that the actual employee cost of Rs.13.57 lakh in 2016-17 is for engaging one resident engineer each at Infopark Cherthala and Infopark Phase II, and a common accountant for both the parks. The actual amount is after considering the full salary of resident engineer in Cherthala and Infopark Phase II and half salary of an accountant.
- The actual R&M expense is Rs.15.86 lakh which is lower than the norms approved in the Tariff regulations 2014. The Commission had approved an amount of Rs.19.05 lakh.
- The actual A & G Expenses of Rs.9.75 lakh claimed by the licensee includes telephone, postage, audit charge, vehicle expenses, bank charges, licensee fee etc as against an amount of Rs.4.26 lakh approved by the Commission.
- The licensee has claimed an amount of Rs.228.03 lakh as depreciation in the straight line method for the assets at Cherthala and Kakkanad.
- The licensee has claimed an amount of Rs.22.85 lakh which is 3% return on net fixed assets
- The total revenue from sale of power is Rs.457.68 lakh for a sale of 6.03 MU.
- The licensee has claimed Rs.3.46 lakh as Non tariff income for 2016-17 which includes interest on security deposit, meter cost, and meter installation charges.

Smt. Mehrunisa, Executive Engineer TRAC, Sri. Manoj.G, AEE, TRAC and Sri. Ajith Kumar.G, DAO, 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 and Employee cost 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 depreciation claimed by the licensee shows an abnormal hike compared to the previous years. KSEB Ltd submitted that the Commission may allow depreciation considering the source of funding
- d. It was submitted that the power purchase cost claimed by the licensee tally with the energy accounts of KSEBL.
- e. It was also submitted that the Commission may approve expenditure only at reasonable levels.

The Commission during the hearing sought clarifications on the petition and directed the licensee to submit the following:

- The licensee may submit the details of the Rs.8.30 Lakh claimed in power purchase cost towards RPO.
  - 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 re-calculate the depreciation and the return on net fixed assets for the control period as per the provisions of the Tariff Regulations 2014.
- The licensee has claimed 0.71 MU and an amount of Rs. 4.05 lakh, which is not accounted as part of the revenue from sale of power. The licensee has stated that they have leased out some area for KSEB data centre at Cherthala Infopark and the amount is for the power utilized by KSEB Ltd from the Infopark feeder. As KSEB Ltd is not treated as a consumer by Infopark, the same is to be clarified.

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 20-04-2019.

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