

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

PRESENT: Shri. C. Balakrishnan Chairman.
Shri. C.Abdulla, Member
Shri. M.P.Aiyappan, Member

February 14, 2007

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| Petition DP No. 32 | Dy.No. 01439 dated 15-12-06 | Technopark, Thiruvananthapuram Kerala State Electricity Board, Vaidyuthi Bhavanam, Thiruvananthapuram | Petitioner Respondent |
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ORDER

1. Background

1. The petitioner, viz *Technopark, Thiruvananthapuram* in its petition dated 15th December 2006 stated as follows.

M/s. Technopark is a promoter for IT based industries and they create necessary infrastructure for such industries in their campus in Kariavattom, Thiruvannanthapuram. M/s. Technopark is a deemed Distribution Licensee.

Kerala State Electricity Board (hereinafter called Board) has constructed a 110kV substation at Kazhakkuttom with all yard equipments & control in the land provided by M/s. Technopark. The control room building was constructed by M/s. Technopark.

Technopark is one of the pioneering and premier Software Technology Parks in India situated in Trivandrum in a sprawling 150 acre campus. Technopark is an autonomous society fully owned by Govt. of Kerala and started operation in 1994. This park was set up mainly to promote IT, ITES and allied Industries in Kerala. The infrastructure of the Park is rated one of the best in the world by many renowned consultancy firms and experts. We are now expanding into an additional 186 acre adjacent to the existing campus. Technopark is the premier job provider in the State and government of Kerala gives top priority for development of infrastructure for IT industry. Presently the campus has a built up space of over two million square feet. More than 12,000 IT professionals are working here and this is expected to reach 50,000 in the next 3 years.

Technopark is also operating as Electrical Licensee for Power distribution in the campus since July 1999 vide GO (P) No. 19/99/pd Dt 12/7/99 and Board Order No.BO N.2607/99 dt 26.11.99. Technopark has been allotted 20 MVA power vide letter no. TCI/SS/94/92/Dated 31/3/97 of Board. Board enhanced the contract demand to 8 MVA in February 2006. As Technopark is expanding rapidly with more companies coming and setting up their facilities the power requirement is going to increase substantially in next 3 years. At present the maximum demand is approximately 10 MVA which is expected to increase to 15MVA by June 2007.

Board has informed Technopark vide Letter No. COMI/EHT/Technopark/663 dated 22.06.06 that it is feasible to provide the additional 2 MVA by October 2006. Board also had informed Technopark to remit the necessary processing fee and application fee at their concerned office. We have applied the for the additional power allocation vide Application for Allocation of Power to industries paying an amount of Rs. 15,500 /- to the Board. But, now the Board has informed Technopark that as their petition to withdraw the concession of 20 paise to Technopark is pending with the Commission, they will grant the additional power allocation only after settling the issue with the Commission. This is not fair on the part of Board to link the matter of Petition for withdrawal of the concession of 20 paise per kwh granted to Technopark with the allocation of additional power. We have informed KSEB that Technopark will abide by the decision of Hon'ble Commission in the matter of the Petition for withdrawal of the concession of 20 paise per kwh granted to Technopark.

To meet our power requirement in the existing campus we had requested Board to provide additional power allocation to the tune of 10 MVA from the existing substation by installing one additional 12.5 MVA transformer with 4 Nos. of 11 KV feeders and replacing the existing 10 MVA transformer by new 12.5 MVA transformer. Our load demand is expected to reach around 30 MVA by June 2009 as per the projected growth.

We are also planning a new 110KV substation with 2 X 12.5 MVA capacity to meet the demand of new SEZ being set up by Technopark in Phase 2 expansion. We request the Hon'ble Commission to direct Board to accord sanction for construction of a new 110KV substation with 2 X12.5 MVA, 110KV/11KV transformers.

The new building Thejaswini will be inaugurated in Feb 2007. Technopark will face severe power shortage if the required additional power of 2 MVA is not given before that. Such a development will be a major blow to the growth of IT Industry in the State, which is now on the threshold of a big leap. We request the Hon'ble Commission's intervention to ensure additional power allocation of 2 MVA to M/s. Technopark.

2. Hearing of the matter

Both parties were heard on 10th January 2007. Board's representative stated that the concession of 20Ps given to Technopark is imposing heavy loss. Further allocation of power can be given only if the rebate is withdrawn. Board was of the opinion that with the increase in consumption, Technopark is saving a huge amount due to rebate. Additional power allocation will increase the gain for Technopark and increase the loss for Board. Hence a decision on the petition for withdrawal of the rebate is necessary for allocation of additional power.

Technopark stated that they will stand by the decision of Commission on the rebate and hence power allocation need not be delayed.

Hence, the additional power allocation will be granted only after settling the issue of revenue loss.

3. Commission's Findings

a. The stand taken by Board is as follows:

Commission vide order dated 20.08.2003 had allowed a concession of 20 paise for every unit of energy consumed by M/s. Technopark. This concession was granted as annual compensation for part of the cost deposited by M/s. Technopark during the construction of the Substation. Also the Commission has observed that the contribution of land on free of cost for the construction of 110KV Substation may be treated as a goodwill gesture for according priority for supply to Technopark. Board is incurring heavy loss in allowing concession of 20 paise for every unit, as the monthly consumption of M/s. Technopark is now approximately 20 lakh units. From October, 2002 to September, 2006 Board had incurred a cumulative loss of about Rs. 156 Lakh. After considering the matter in detail, Board has filed a petition before the Kerala State Electricity Regulatory Commission to withdraw the concession of 20 paise per unit granted to M/s. Technopark.

b. The stand taken by Board is reasonable. With the increase in consumption by Technopark, continuing the rebate of 20 Ps will result in loss to Board. Board's petition for withdrawal of rebate was heard and decision on the issue has been taken. The decision is to withdraw the rebate with immediate effect. Orders to discontinue rebate has been issued on 8th February 2007. Hence additional power allocation can be given to Technopark as there is no other grievance on the part of Board which prevents allocation of additional power to Technopark.

4. Commission's Order

Additional power of 2 MVA requested by Technopark has to be given by Board without further delay.

Sd/-
M.P.Aiyappan
Member(F)

Sd/-
C.Abdulla
Member(E)

Sd/-
C.Balakrishnan
Chairman

Authenticated copy for issue

Secretary (in charge)