

KERALA STATE ELECTRICITY REGULATORY COMMISSION
Thiruvananthapuram

February 28, 2008

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

Petition No. TP- 24 and TP 24A of 2007

In the matter of
ARR& ERC of Technopark for the year 2007-08 and Tariff

Techno Park, Thiruvananthapuram

--- **Petitioner**

1. Procedural history

Technopark filed their ARR & ERC petition for the years 2007-08 to 2009-10 on a Multi Year basis vide their letter No.ETPK/KSERC-Tech/2006-07/08 dated 30-11-2006 as per the directions issued by the Commission vide letter No. KSERC/ARR&ERC/2007/1070 dated 9-8-2005 and 23-08-06. The Commission accepted the Petition as TP 24 of 2007. After scrutiny, the Commission raised certain clarifications vide letter No.KSERC/II/Technopark/TP-24/ARR&ERC/2007-08 dated 23-2-2007. The Commission directed the Licensee to publish the ARR & ERC for inviting comments from the stakeholders and consumers. The licensee published the petition and informed the Commission vide letter No ETPK/KSERC-Tech/2006-07/138 dated 12-3-2007 that no objections were received on the petition. In the meantime, the licensee forwarded the reply to the clarifications raised by the Commission vide letter No. ETPK/KSERC-Tech/2006-07/136 dated 20-3-2007. The licensee also revised the ARR & ERC to incorporate the corrections in the working capital calculations. The Commission vide order dated 7-2-2007 had withdrawn the concession of 20 paise/kWh on the bulk tariff paid by the licensee to KSEB. Stating the same as the reason, the Licensee requested the Commission to increase the retail tariff by 20 paise/kWh. As the public hearing was fixed on 27-3-2007, the Commission vide its letter No.KSERC/II/Technopark/TP-24/2007-08/179 dated 21-3-2007 directed the licensee to incorporate the tariff revision proposal also in the public

hearing. The public hearing was held on 27-3-2007 at the Technopark Campus. In the presentation made during public hearing the Licensee provided figures different from, that was filed in the ARR & ERC. The Commission sought clarification of the discrepancy in the figures and directed to file a formal tariff revision proposal vide letter No. KSERC/II/Technopark/TP-24/2007-08/202 dated 30-3-2007. The licensee filed the details vide No ETPK/KSERC-Tech/2006-07/002 dated 18-6-2007. The Commission communicated the acceptance of the tariff proposal vide letter dated 29-6-2007 and directed the licensee to publish the petition for inviting comments. The Licensee vide their letter No ETPK/KSERC/017/2006-07 dated 20-8-2007 informed that no objections were received on the tariff proposal.

2. Public Hearing

The public hearing on the tariff proposal was held at the Technopark Campus on 10-10-2007 and representatives of the consumers in Technopark attended the hearing and requested the Commission not to increase the tariff. The Commission also held a clarification meeting on 15-11-2007. The licensee vide their letter No ETPK/FIN/KSERC2007-08/1 dated 21-11-2007 requested to make the revised tariff effective from the date on which KSEB has increased the tariff of the licensee by 20 paise. The revised estimates on revenue from existing and proposed tariffs filed by the Licensee, was again inconsistent with the ARR & ERC filed by the licensee. Considering these, the Commission suggested the licensee to provide the actual billing data from April 2007 to November 2007 and projections upto March 2008 based on existing tariff.

During the deliberations with the licensee, the Commission noted several inconsistencies in the filing of the licensee. It was also noticed that the directions issued by the Commission on principles of separation of accounts and basis of apportionment were also not consistently followed. Further the principles used for projections for ensuing years were changed quite often. It was evident that the projections based on the multiyear principles adopted by the licensee is not on sound footing, partly due to the fact that the licensee is in the process of expansion of business and partly due to insufficient exposure to multiyear filing. Hence, the Commission has taken a considered view that, it would be injudicious to issue a multi-year ARR & ERC order based on the present filing of the Licensee and thus decided to limit the scope of the present order for 2007-08 only. The Commission further feels that, provisions under 2nd proviso to Section 51 of the Electricity Act, 2003 has to be followed strictly. Hence, an independent

audit of the accounts of the Licensee is to be carried out to separate accounts for Licensee's business from other business and prepare an opening balance sheet as on 31-3-2007, ascertain specifically the capital structure of the licensee. The detailed direction on this issue is given at the end of this Order. With these observations, the Commission has proceeded to examine the ARR & ERC of the licensee for 2007-08.

3. Energy projections:

The licensee has estimated the number of consumers would increase from 196 in 2007-08 to 253 by 2009-10 and the revenue would increase from Rs.2095 lakh to Rs.8279 lakhs. The massive increase in revenue was projected considering the expansion of the park phase II and III. The Commission suggested the licensee to provide the actual number of consumers as on November 2007 and projections for 2007-08 full year. Accordingly the Licensee revised the sales for 2007-08 as 371.85 lakh units, where as the actual sale upto November, 2007 was 241.12 lakh units. The revenue expected was also revised downwards from Rs.2095 lakh to Rs.1534.15 lakh for 2007-08. Since the revised energy projections of the licensee based on the actual upto November 2007 is more realistic, the Commission accepts the same for 2007-08.

4. AT & C Loss

AT & C loss is a major area of concern for the licensee. Even though, the licensee is operating in a limited area, the loss levels remain high. At present input energy from KSEB is metered at the 11 kV side, and KSEB add 3% loss to arrive at the input at 110 kV level for billing purpose. In the original filing the licensee projected the loss as 8.5% for 2007-08 and 8% for 2008-09. However, in the revised filing, the licensee projected the energy requirement as 430.8 lakh units for 2007-08 based on the actual energy purchase of 269.4 lakh units upto November 2007. Hence the loss figures worked out to 13.68% for 2007-08, which is very much high. The Commission in the clarification meeting raised the issue of higher level of losses. The Commission noted that the Licensee is purchasing additional 1500 kVA from KSEB at 11 kV level. , which is used for supplying temporary connections for construction and other purposes. However, the licensee did not provide sufficient clarification for higher losses and also not revised the figures. Hence, the Commission is forced to arrive at independent estimates on the energy losses of the licensee for the year 2007-08. In the previous orders, the Commission had directed the licensee to study the methods for reduction of losses. Though licensee had engaged CPRI to conduct a study,

it seems, no concrete suggestion emerged from the study. The licensee continues to attribute high levels of harmonics as the reason for higher losses. However, the Commission is not in a position to accept the high loss levels of 13.68% especially in a situation where, the approved loss for 2006-07 was 8.5% and further, the actual loss filed by the licensee based on the figures up to November 2007 works out to only 10.64%. The Commission, has a considerate view that loss levels projected by the licensee are much higher than what is reasonably passed on to the consumers, and limit the loss levels the same as approved in the previous year (2006-07) ie., 8.5%. The actual loss in the Technopark system (excluding the 3% added by KSEB) thus works out to be 5.7%.

As per the details furnished by the licensee, up to December 2007, the total energy purchased was 302.39 lakhs, which works out to an average of 33.6 lakh units per month. Hence additionally about 101 lakh units would be required for next three months, totaling about 403.18 lakh units for the year. The Commission has approved a reasonable estimate of 406.40 lakh units, which amply covers the additional sales expected in the next 3 months.

	2006-07 (Actual)	2007-08 (Projection)	2007-08 (Approved)
Energy Billed by KSEB (with 3% loss) at 110 kV level (lakh units)	306.11	430.80	406.40
Net Energy to the System (at 11 kV) (lakh units)	296.93	417.88	394.21
Energy Sales (lakh units)	278.17	371.85	371.85
Loss %	9.1%	13.7%	8.5%
<i>Distribution loss (net to Technopark)</i>	<i>6.3%</i>	<i>11.0%</i>	<i>5.7%</i>

Based on the approved loss, the energy requirement would be 406.4 lakh units for 2007-08 as against the 430.8 lakh units projected by the licensee. The Commission urges the licensee to submit a detailed technical/ cost-benefit study on reduction of harmonics in the system.

Hitherto, the Commission has concentrated only on T&D loss, as it is expected that the collection efficiency of the Licensee would be substantially higher. However, as per the data furnished by the licensee, collection efficiency is deteriorating consistently. The collection efficiency reported by the licensee for 2007-08 was only 74.31%. Actual collection efficiency upto November 2007 is only 80.27%, substantially lower than that reported by other licensees. The AT&C loss worked out to be 35.9%, which is as high as some of the North Indian States

where substantial portion of the consumers are unmetered. The Commission views this with concern. It is apparent that, the licensee is not enforcing the provisions of the Electricity Act for realizing the revenue due from the consumers. A licensee operating in a small area with only software companies and other commercial consumers, the collection efficiency at any cost cannot be lower than 100%. Hence the Commission fixes the benchmark as 98%, which has to be improved to 100% next year. The licensee has to take steps to recover the accumulated arrears and if needed the security to be adjusted against the receivable and initiate action against the defaulters as provided under the law. The licensee shall seriously consider the implementation of pre-payment meter system, as the same is successfully implemented by other licensees such as CSEZ and Kinfra.

	2007-08 Projected	2007-08 Approved
T&D Loss	13.7%	8.5%
Collection Efficiency	74%	98%
AT&C Loss	35.9%	10.3%

5. Aggregate Revenue Requirements:

The summary of Multi-year ARR filed by the Licensee for 2007-08 to 2009-10, is summarized below.

Sl No	Particulars	2007-08	2008-09	2009-10
1	Power Purchase Cost	1710.00	3404	6779
2	Repair and Maintenance Cost	83.37	162.54	331.62
3	Employee Cost	10.94	13.13	15.75
4	A&G Expenses	79.02	123.73	206.16
5	Depreciation	50.86	116.26	190.66
6	Interest and Financing Charges	149.79	501.99	907.66
7	Other Debits	28.54	57.11	113.53
9	Total	2112.52	4378.76	8544.38

The total expenditure projected was Rs.2112.52 lakh for 2007-08, Rs.4378.76 lakh for 2008-09 and Rs.8544.38 lakh for 2009-10. The projections are based on the anticipation of completion of phase I and phase II expansion. However, the revised estimates for 2007-08 filed by the Licensee based on the actual up to November, 2007 are as follows.

Sl No	Particulars	2007-08 Initial filing	2007-08 (Revised filing)
1	Power Purchase Cost	1710.00	1407.54
2	Repair and Maintenance Cost	83.37	32.71
3	Employee Cost	10.94	15.10
4	A&G Expenses	79.02	73.32
5	Depreciation	50.86	45.96
6	Interest and Financing Charges	149.79	141.55
7	Other Debits	28.54	38.80
9	Total	2112.52	1754.48

5.1 Power purchase cost :

The power purchase projected by the licensee in the original filing for 2007-08 was 550.2 lakh units, which was revised to 430.8 lakh units. However, based on the energy sales projected by the Licensee and loss estimates approved by the Commission, the energy requirement was revised as 406.4 lakh units. The Commission in the Order dated 26-11-2007 had revised the Bulk Supply Tariff applicable to the licensees, with effect from December 2007. As per the actual billing upto December, 2007 filed by the licensee, the total power purchase cost was Rs. 988.39 lakhs with bulk tariff at revised rates for the month of December. Hence the balance requirement at revised rates works out to be Rs.365.lakhs. Hence the total power purchase approved for 2007-08 would be 1353.39 lakhs compared to Rs.1407.58 lakhs in the revised filing. The approved purchase cost is inclusive of additional 1500 kVA available from November 2007 onwards. The average power purchase cost worked out to be Rs.3.33/kWh.

5.2 Repair and maintenance expenses:

Repair and maintenance charges approved for 2006-07 was Rs.41.08 lakhs, where as the actual reported by the licensee was Rs.27.60 lakhs. The revised projection for 2007-08 is Rs. 32.71 lakhs. The operation and maintenance of electricity distribution is presently outsourced by the licensee. The Commission approves the estimates of the licensee under this head.

5.3 Employee Cost

As per the revised estimates, the employee cost works out to Rs.15.10 lakhs as against Rs.6.79 lakhs (actual) for 2006-07. Licensee has stated that employee cost relates only to the administrative staff and it is expected that in view of the

rapid expansions proposed, the employee cost of administrative and technical staff will double in 2007-08.

The actual expenses upto November 2007 was only Rs.6.9 lakhs. Considering the actual expenses upto November, prorata projected expenses would be Rs.10.35 lakhs for 2007-08, which is higher by Rs. 3.56 lakhs compared to 2006-07. Hence, the Commission approves Rs.10.35 lakhs as employee costs for 2007-08.

5.4 Administration and General expenses

The licensee has projected Rs.73.32 lakhs towards A&G expenses. The Commission seeks to approve the projections of the licensee.

5.5 Depreciation

The licensee has proposed Rs. 45.96 lakhs towards depreciation, which is same as that of the year 2006-07. Since there is ambiguity in the opening balance sheet and capital structure of the licensee, depreciation cannot be ascertained unless the accounts firmed up. Hence the Commission, for the present approves provisionally the depreciation proposed by the licensee for 2007-08.

5.6 Interest and financing charges:

The revised estimate of interest and financing charges for 2007-08 was Rs.141.55 lakhs, and the actual upto November 2007 was Rs.123.08 lakhs. The Commission in the clarification meetings sought details of loan taken by the licensee and the calculation of interest commitment. The licensee has clarified that of the total Rs.141.55 lakhs estimated as interest charges, Rs.18.76 lakhs is on account of the interest on loan of Rs.20 Crores taken for the construction of Bhavani and Gayatri building (Electrical portion). Further Rs.12.26 lakhs was provided as interest on consumer deposits. The balance Rs.110.53 lakhs was the interest due for the loan taken from the Electronic Technology Parks, the parent organization. The details of the loan and the interest calculations, which is given by the licensee as follows.

Technopark Loan Account		Rs.
Opening balance of loan as on 01.04.2007		60,598,131.00
Loan received during the year :		
Transformer modernization work (paid to KSEB)	35,761,771.00	
Cost of Thejaswini electrification	48,873,851.00	
Repayment of CBI loan made by Technopark	1,617,000.00	

Interest on CBI Loan	1,250,826.36	
Rent payable to Technopark	2,444,300.00	
Interest due on loan not paid	10,240,369.00	
Other expenditure met by Technopark on behalf of technopower	581,089.42	100,769,206.78
Balance as on 30.11.2007		161,367,337.78
Proposed loan from ETPK (Being shortage in fund required for new transformer work)		75,000,000.00
Interest for the period Dec-Mar		812,500.00
Balance as on 31.03.2008		237,179,837.78
Calculation of Interest		
Interest on balance as on 01.04.07 @ 9%	5,453,832.00	
Interest on additional loan till Nov 07 = 10,07,69,207/2 x 9.5%	4,786,537.00	
Interest on additional loan of Rs.7.5 crore (Assuming that Rs.1 cr will be availed by march end) for balance int for 1.5 months = 6.5 cr x 10% x 1.5/12	812,500.00	
Total Interest	11,052,869.00	

A perusal of the above table shows that the loan taken from the parent institution is for revenue expenditure which are already provided in the ARR (such as Rent, interest charges, etc.). This once again underlined the need for scrutiny of accounts of the electricity business of the licensee and firm up the opening balance sheet of the Licensee. The Commission is of the view that the interest and financing charges in the manner presented by the Licensee cannot be accepted. The Commission is of the view that, the loan outstanding as on 1-4-2007, to the tune of Rs.6.06 Crore would also be availed for similar purpose. Hence the Commission decides that, independent auditing of accounts is necessary before making any judgment on the liabilities of the licensee. In the meantime, Commission decides that 50% of the outstanding loan as on 1-4-2007 to be allowed provisionally as the opening balance of loan for this year. Further, the Commission for the present allows only the component of 'cost of Tejaswini electrification' in the loan account, as all other items included in the loan component are already approved as revenue expenses of the licensee. Based on this, the Commission allows additional Rs.27.26 lakhs as interest charges during the current year in addition to Rs.18.76 lakhs and Rs.12.26 lakhs towards interest charges on loan for Bhavani and Gayathri Building and interest towards consumers security deposits respectively. Thus total interest charges allowed for 2007-08 provisionally would be Rs.58.29 lakhs.

5.7 Other debits

The other debits proposed by the licensee include Rs.1.30 lakh towards prior period adjustments and Rs.37.50 lakh towards deferred revenue expenses written off on account of the charges towards shifting of EHT lines for the Expansion project. Since prior period expenses to be adjusted for the previous years, the same would be considered during truing up exercise of the licensee. In case of expenses towards line shifting, the Commission would take a view on the acceptance of expenses after verifying the accounts of the licensee. Hence, sanction for writing off the expenses is deferred for the time being.

5.8 Return on Equity

The licensee in the revised ARR has given the estimate of Equity including reserves as Rs.572.82 lakhs, which includes share capital of Rs.21.73 lakhs and reserves and surplus of Rs.551.09 lakhs. Where as, the actual for 2006-07 was Rs.725.27 lakhs, which shows erosion of net worth of the licensee. Since a fair view of the liabilities of the licensee need to be ascertained, in the mean time, the Commission provisionally allows 10% return on the total share capital (including reserves) as Rs.57.28 lakhs for 2007-08.

5.9 Overall ARR& ERC for 2007-08

Expenses items	2006-07 (Actual) Rs. Lakhs	2007-08 (projected) Rs. Lakhs	2007-08 (Approved) Rs. Lakhs
Purchase of Power	936.78	1407.54	1353.39
Repair and maintenance expenses	27.6	32.71	32.71
Employee cost	6.79	15.10	10.35
A&G Expenses	69.24	73.32	73.32
Depreciation	45.96	45.96	45.96
Interest & Financing charges	73.98	141.55	58.29
Sub Total	1160.35	1716.18	1574.02
<u>Less capitalised expenses</u>	0.00	0.00	0.00
Other debits	0.98	1.30	0.00
Extraordinary items	0.00	37.50	0.00
Return on Equity	13.46	0.00	57.28
Gross ARR	1174.79	1754.98	1631.30
Less Other income	-25.48	-68.38	-68.38
NET ARR	1149.31	1686.60	1562.92

The net Aggregate revenue requirements of the licensee for the year 2007-08 approved would be Rs.1562.92 lakhs compared to Rs.1686.60 projected by the licensee.

6. Distribution cost:

The total cost of distribution projected by the licensee for 2007-08 was Rs.347.44 lakh where as the approved expenses for 2007-08 including RoR would be Rs.277.91 lakh.

7. Expected Revenue from Charges

The licensee in the revised filing has estimated the revenue from charges as Rs.1534.15 lakhs for 2007-08 at the existing tariffs. The actual revenue upto November 2007 was Rs.993.04 lakhs. Based on the estimates of the licensee the revenue gap would be as follows.

	2007-08 (projected) (Rs. Lakhs)	2007-08 (Commission Estimates) (Rs. Lakhs)
Revenue from sale of power	1534.15	1534.15
NET ARR	1686.60	1562.92
Revenue Deficit	-152.45	-28.77

The licensee has projected a revenue gap of Rs.152.45 lakh for 2007-08, where as the estimates of the Commission is about Rs. 28.77 lakh.

9. Commission's Order on ARR & ERC for 2007-08

Considering the inconsistencies and lack of robustness of the estimates in the multiyear ARR & ERC filed by licensee, the Commission decides that for present, ARR & ERC shall be approved for an yearly basis ie. for 2007-08. In the absence of firm estimates of many items of ARR, the Commission has allowed provisional estimates and the same shall be firmed up once the capital structure of Technopark is firmed up. The net Aggregate revenue requirements for the year 2007-08 shall be Rs.1562.92 lakhs compared to Rs.1686.60 projected by the licensee. The revenue from sale of power as projected by licensee is Rs.1534.15 lakh, thus leaving a revenue gap of Rs.28.77 lakh for the year as against Rs.152.45 lakh projected by the licensee. The Commission decides that the revenue gap shall be bridged by way of changes in tariff as detailed in the following section.

10. Tariff petition

As mentioned in the earlier section, the licensee has filed tariff proposal before the Commission to recover the increase in bulk supply tariff to the tune of 20 paise/kWh, vide letter dated 18-6-2007. The Commission has accepted the petition as TP 24A. The salient features of the petition are as follows.

Category		Existing Tariff	Proposed Tariff
HV - 1 General	Demand charges (Rs./kVA/Month)	270.00	300.00
	Energy Charges (Rs./kWh)	3.00	3.20
HV - II Commercial	Demand charges (Rs./kVA/Month)	350.00	350.00
	Energy Charges (Rs./kWh)	3.20	3.40
LV (Bulk) Deemed HT	Demand charges (Rs./kVA/Month)	275.40	300.00
	Energy Charges (Rs./kWh)	3.09	3.29
LV I Domestic	Demand Charges (Rs./kW/month)	30 / 170	31 / 170
	Energy Charges (Rs./kWh)		
	upto 40 units	1.15	1.15
	40 - 80 units	1.90	1.90
	81 to 120 units	2.40	2.40
	121 to 150 units	3.00	3.00
	151 to 200 units	3.65	3.65
	201 to 300 units	4.30	4.30
	301 to 500 units	5.30	5.30
	501 and above	5.45	5.45
LV II Temporary	Demand charges (Rs./kVA/Month)	135.00	135.00
	Energy Charges (Rs./kWh)	13.50	13.50
LV III Non Domestic	Demand charges (Rs./kVA/Month)	45.00	240.00
	Energy Charges (Rs./kWh)	3.25	2.80
LV IV Non domestic	Demand charges (Rs./kVA/Month)	170.00	250.00
	Energy Charges (Rs./kWh)	6.75	6.75
LV V(A) Non Domestic	Demand charges (Rs./kVA/Month)	50 / 100	50 / 100
	upto 100 units	5.65	5.65
	upto 200 units	6.25	6.25
	upto 300 units	6.95	6.95
	upto 500 units	7.50	7.50
	above 500 units	8.25	8.25
LV V(B) Non-Domestic	Demand charges (Rs./kVA/Month)	24 / 44	50 / 100
	upto 100 units	4.50	5.65
	upto 200 units	5.00	6.25
	upto 300 units	5.60	6.95
	upto 500 units	6.00	7.50
	above 500 units	6.60	8.25
LV VI Non Domestic	Demand charges (Rs./kVA/Month)	40.00	40.00
	upto 500 units	3.85	3.85
	above 500 units	5.20	5.20

The licensee's own consumption is at present charged at Deemed HT rates and street lighting is charged at LV IV tariff.

11. Public hearing on the Tariff petition

The Commission conducted public hearing on the Tariff petition on 10-10-2007 at Technopark. The consumers in general have expressed satisfaction over the performance of the licensee regarding power supply and reliability. However, some consumers questioned the necessity of tariff revision and also argued that the main reason for increase in cost is on account of cost of proposed expansion plan. The consumers strongly argued that, the cost due to the expansion cannot be loaded on to the existing consumers.

Commission's Decision:

The Commission has verified the proposal of the Licensee. The license at present has 9 categories of consumers at LT and 2 categories at HT level. The licensee has inherited the present tariff from KSEB. The Commission is of the view that the present categorizations to be simplified and tariff to be reflective of the cost of electricity. The consumers can be grouped into two, the IT companies and other general consumers such as restaurants and other support service providing units. Hence the Commission has rationalized the tariff structure as follows.

Existing categories	New categories
<i>HT categories</i>	<i>HT categories</i>
HV - 1 General	HT II IT & ITES units
HV - II Commercial	HT I General
<i>LT Categories</i>	<i>LT Categories</i>
LV IV Non domestic	LT I General (single/Three phase)
LV V(A) Non Domestic	
LV V(B) Non-Domestic	
LV VI Non Domestic	
LV I Domestic	
LV (Bulk) Deemed HT	LT II A IT & ITES Units above 50 kVA
LV III Non Domestic	LT II B IT & ITES units below 50 kVA
LV II Temporary	LT III - Temporary

Thus, all the existing non-domestic and commercial categories are merged into a single category LT I General (Single/Three phase). All supporting services to IT & ITES are included in this category. The licensee's internal consumption continues to bill under LT II (A) tariff and street lighting at LT I General. The revised rates applicable to the categories are as follows:

HT	HT - I General	Demand Charges (Rs./kVA of billing demand per month)	350.00
		Energy Charges (Rs./kWh)	3.70
	HT - II IT & ITES units	Demand Charges (Rs./kVA of billing demand per month)	270.00
		Energy Charges (Rs./kWh)	3.00
LT	LT I General	Fixed charges (Rs./kW/Month)	
		Single Phase	50.00
		Three Phase	100.00
		Energy Charges (Rs./kWh)	
		Upto 100 Units	5.50
		Above 100 Units (for all units)	7.50
	LT II(A) IT & ITES units (Contract Demand above 50 kVA)	Demand Charges (Rs./kVA of billing demand per month)	270.00
		Energy Charges (Rs./kWh)	3.25
	LT II (B) IT & ITES units (Contract Demand upto 50 kVA)	Fixed Charges (Rs./kW/month)	100.00
		Energy Charges (Rs./kWh)	3.25
	LT III Temporary	Daily minimum (Rs./kW) or Energy Charges (Rs./kWh), whichever is higher	100.00 8.25

Detailed schedule of tariff and terms and conditions for retail supply by Technopark is attached as annexure to this Order. In the following table impact of tariff revision is shown.

Existing category	Average Tariff		Present category
	Before Revision	After revision	
	(Rs./kWh)	(Rs./kWh)	
LV I Domestic	3.88	10.05	LT I General
LV Bulk Deemed HT	4.01	4.17	LT II(A) IT & ITES Units (above 50 kVA)
LT IV IT Companies	3.46	3.74	LT II (B) IT & ITES Units (<50 kVA)

LT IV	Earth Station	11.47	10.25	LT I General
LT V V(a)	Commercial	7.78	8.41	LT I General
LT V V(b)	Commercial	9.25		LT I General
LT V V(b)	Restaurants	6.81	7.86	LT I General
	Licensee's consumption	4.2	3.69	LT II(A) IT & ITES Units (>50 kVA)
	Street lighting	3.41	5.40	LT I General
Total : LT		4.22	4.35	
HV -I	Industrial	4.00	3.96	HT -II IT & ITES units
HV-II	Commercial	4.55	5.14	HT - I General
Total HT		4.05	4.04	
Grand Total		4.18	4.28	

Based on the sales estimates provided by the licensee, for full year the revenue would be Rs.1593 lakhs. However for the remaining part of the 2007-08 the impact would be as follows:

	Rs. Lakhs
Revenue realized upto November, 2007	1041.04
Revenue for December-February (existing Rates- Pro rata)	390.39
Revenue for March at revised Rates	132.73
Total Revenue	1564.16
Net ARR	1562.92
Revenue Surplus after revision - this year	1.24

The revenue surplus of Rs. 1.24 lakhs estimated by the Commission for this year shall be kept by the licensee for the present. The actual revenue surplus over the approved ARR would be firmed up once the scrutiny of accounts and capital structure of the licensee is ascertained. The Licensee shall file the ARR & ERC for 2008-09 within one month of this order for approval of the Commission.

Directives:

1. Licensee shall take steps to instruct the consumers to install suitable harmonic arresters in their premises. The licensee shall also explore the possibility that suitable devices may be installed in the licensee's system for controlling harmonics.

2. The licensee shall take all possible steps to recover the arrears due from consumers. The licensee shall explore the possibility of migrating to a pre-paid metering system for the existing consumers. A detailed study shall be submitted to the Commission in this regard.
3. The Licensee shall appoint an independent auditor as per the instructions of the Commission for separation of accounts and preparing opening balance sheet of the licensee. A team consisting of a senior officer of the licensee, officers of the Commission and the audit team shall be constituted for this purpose. The licensee shall be the convener. The details of the exercise shall be decided in consultation with the independent auditor and the persons nominated by the Commission. The independent auditor shall be reporting to the Commission. The entire exercise shall be completed within two months of this Order.

Sd/-
M.P.Aiyappan
Member

Sd/-
C.Abdulla
Member

Sd/-
C.Balakrishnan
Chairman

Authenticated Copy for issue

Secretary (in charge)