

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : Shri. T.M. Manoharan, Chairman
Shri. K. Vikraman Nair, Member

No.2406/Com.Ex/KSERC/2014

In the matter of: Request for Reduction of contract demand of M/s HLL Lifecare Ltd. under Rubber Park India (P) Ltd, Valayanchiragara.

Sri.N.RaviKumar,
Executive Director (Operations),
M/s HLL Lifecare Ltd, Irapuram,
KOCHI.

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Applicant

Versus

M/s Rubber Park India (P) Ltd,
2 A "Kautileeyam" , Rubber Park,
Valayanchiragara.

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Respondent

Order dated: 02.03.2015

Background of the Case:

1. M/s HLL Lifecare Ltd., the petitioner, is a high tension consumer under the distribution licensee M/s Rubber Park India (P) Ltd. Valayanchiragara since 09-07-2014. As per letter No.HLL/IFC/2014-15/EL/08 dated 01.12.2014, the petitioner requested the Commission to direct M/s Rubber Park India (P) Ltd. to phase out their contract demand to cater to their electrical installations proposed to be installed in 2nd and 3rd phases of the project of the petitioner. The respondent had denied the request of the petitioner to reduce their contract demand as per the power supply agreement executed between them, citing sub regulation (1) of Regulation 100 of the Kerala Electricity Supply Code, 2014. Hence M/s HLL Lifecare Ltd has approached this Commission with a request to relax the above provision of the Kerala Electricity Supply Code, 2014.

Averments of the applicant:

2. The applicant submitted the following for the consideration of the Commission.

- a) M/s HLL Lifecare Ltd is a Government of India Enterprise, under the Union Ministry of Health & Family Welfare. They had applied to Rubber Park India (P) Ltd., the distribution licensee of the area, for a high tension connection with a contract demand of 2000kVA. Electric connection was given on 09-07-2014. When the petitioner started production in the 1st phase of their project, it has been noted that the maximum demand is coming to around 600 kVA only, with the present loading of the machines and may increase only to a maximum limit of 1000 kVA in the first phase. The contract demand of 2000kVA was estimated considering the full fledged operation of the plant and 100 % loading which are expected only after installation of new machines in 2nd and 3rd phases by March, 2016 and March, 2017 respectively.
- b) The applicant had requested the respondent on 30-10-2014 to reduce the contract demand to 1000kVA to avoid huge recurring financial commitments affecting the viability of the project.
- c) The reply from the respondent indicated that, as per sub-regulation (1) of Regulation 100 of the Kerala Electricity supply Code, 2014, any reduction in contract demand can be considered only after one year from the date service connection.
- d) The petitioner requested to phase out their contract demand as shown below to cater to phase I, Phase II and Phase III of their project.

Sl. No.	Maximum contract demand	Applicable date
1	1000 kVA	At present
2	1500 kVA	March, 2016
3	2000 kVA	March, 2017

Response of the respondent:

3. In reply to the letter dated 01.01.2015 of the Commission, calling for remarks, the respondent submitted the following for the consideration of the Commission.
- a) Rubber Park India(P) Ltd had applied for additional power allocation to KSEB Ltd to increase their contract demand subsequent to the application of Rubber Park India (P) Ltd. KSEB

Ltd had accorded in-principle approval for the same for a provisional period of one year subject to the technical feasibility.

- b) Rubber Park India (P) Ltd had not executed the power purchase agreement with KSEB Ltd for the additional power consequent to the demand from the petitioner, due to delay in processing the same. Hence the present contract demand of M/s Rubber Park India (P) Ltd., remains as the existing contract demand of 4500 kVA.
- c) Based on the request of the applicant for reducing their contract demand, Rubber Park India (P) Ltd approached KSEB Ltd for reducing the additional power requirement by 1000 kVA. KSEB Ltd had informed their willingness to reduce the additional power requested by Rubber Park India (P) Ltd.
- d) Since KSEB Ltd had agreed for reducing the additional power allocation by 1000 kVA, Rubber Park India (P) Ltd will not going to incur any financial burden on account of contract demand reduction as requested by M/s HLL Lifecare Ltd.
- e) Accordingly, Rubber Park India (P) Ltd is willing to phase out the contract demand as requested by M/s HLL Lifecare Ltd.

Analysis and Order of the Commission:

- 4. Sub regulation (1) of Regulation 100 of the Kerala Electricity Supply Code, 2014 Specify that *“Any application for reduction of connected load or contract demand shall be accepted only after six months from the date of original energisation for LT connections and only after one year from the date of original energisation for HT and EHT connections”*.
- 5. Sub regulation (1) of Regulation 179 of the Kerala Electricity Supply Code, 2014 Specify that *“The Commission may, in public interest and for reasons to be recorded in writing, relax any of the provisions of this code”*.
- 6. In the instant case, both the petitioner and the respondent are Public Sector Undertakings. M/s HLL Lifecare Ltd had started their industry at Valayanchiragara, availing high tension connection on 09-07-2014 with a contract demand of 2000 kVA. As such, any reduction in contract demand can be considered only during 07/2015. Even though Rubber Park India (P) Ltd is a distribution licensee, they are availing power from KSEB Ltd. On receipt of power requisition from M/s HLL Lifecare Ltd,

Rubber Park India (P) Ltd had applied for additional power to KSEB Ltd. But they have not executed any revised power purchase agreement with KSEB Ltd., for the increased demand consequent to the supply agreement with the petitioner. Now, on receiving application from M/s HLL Lifecare Ltd for phasing out the contract demand, Rubber Park India (P) Ltd has approached KSEB Ltd for reducing the additional power requested by them. KSEB Ltd has informed their willingness for the reduction of additional power requested by Rubber Park India (P) Ltd. Since Rubber Park India (P) Ltd will not sustain any loss on account of phasing out of the contract demand in tune with the development of the industrial unit of the petitioner, the respondent has, in consultation with KSEB Limited agreed to phase out the contract demand as requested by M/s HLL Lifecare Ltd. Since the petitioner M/s HLL Lifecare Ltd., is a Central Public Sector Undertaking catering to the requirements of Health Departments and since the viability of the project of the petitioner, which is in the first stage of development, is likely to be affected by payment of avoidable fixed charge, the Commission is of the view that this is a fit case to exercise its powers in public interest under sub-regulation (1) of regulation 179 of Kerala Electricity Supply Code, 2014.

Order of the Commission:

7. In exercise of the powers conferred in sub-regulation (1) of Regulation 179 of the Kerala Electricity Supply Code, 2014, the Commission hereby accords, in public interest, relaxation to sub-regulation (1) of regulation 100 of the Kerala Electricity Supply Code, 2014, to phase out the contract demand of the petitioner as mutually agreed to between the petitioner and respondent in consultation with M/s KSEB Limited.

Sd/-
K. Vikraman Nair,
Member (Engg)

Sd/-
T.M. Manoharan,
Chairman

Approved for issue

Secretary