

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

Present: **Shri. R. PremanDinaraj, Chairman**  
**Shri. S. Venugopal, Member**

**OA. No.03/2020**

In the matter of : Application on the Truing up of accounts for the years 2017-18 filed by M/s Cochin Special Economic Zone Authority (CSEZA)

Applicant(s) : The Development Commissioner  
Cochin Special Economic Zone Authority  
Ministry of Commerce and Industry,  
Government of India,  
Kakkanad  
Cochin 682037

Applicant(s) represented by :  
1. Sri. K.C.Ramakrishnan, Assistant D C, CSEZA  
2. Sri.K.C.Seetharaman,Chartered Accountant  
3. Sri.Krishna Varma, Consultant, CSEZA

**Daily Order dated 25-02-2020**

The hearing on the petition for the truing up of accounts for the year 2017-18 was conducted at the Court Room, Office of the Kerala State Electricity Regulatory Commission on 14-02-2020 at 11.00 AM. The petitioner, M/s Cochin Special Economic Zone Authority was represented by Sri.K.C.Ramakrishnan, Assistant D C, CSEZA, officers and consultants of CSEZA. Sri. K.C. Seetharaman Chartered Accountant presented the details of the petition and responded to the queries of the Commission.

The main points made by the licensee are,-

- Revenue from Sale of Power claimed is Rs 3557.82 lakh for the energy sale of 55.39 MU and the Non Tariff Income is Rs 112.76 lakh which includes interest on investments, fixed and call deposits, bank balances, and interest on advances etc.
- The power purchase cost for the year 2017-18 is Rs 3395.74 lakh for purchase of 56.26 MU. The distribution loss is 0.87 MU which is 1.54% of the energy input. The approved level of distribution loss is 1.50%.

- The R&M expenses claimed is higher than the norms fixed whereas the employee cost and the A&G expenses are lower than the approved amount.
- Asset addition of Rs.630.46 lakh was made during the year 2017-18 which includes the cost of 636 kWp solar PV plant, RMU etc
- Depreciation claim of Rs.89.84 lakh for the year includes deprecation for the asset added during the year also.
- Rs.21.57 lakh is claimed as return on NFA.

Accordingly the licensee has claimed an Aggregate Revenue Requirement (ARR) of Rs 3674.10 lakh, Expected Revenue from Charges (ERC) of Rs 3670.58 lakh with a revenue gap of Rs 3.52 lakh for the year 2017-18.

Sri. Suresh.A, Executive Engineer,TRAC and Sri. Manoj.G, AEE, TRAC represented KSEB Ltd. Sri. Manoj.G presented the counter statement/comments of KSEB Ltd. The major points raised by KSEB Ltd are the following:

- a. The actual distribution loss claimed is 1.54% which is higher when compared to 1.50% approved by the Commission.
- b. The R&M expense claimed is higher by 8.61% than the approved amount. R&M expense may be limited to the normative amount approved by the Commission.
- c. Section 3(1) duty under Kerala Electricity Duty Act is not allowable in the ARR
- d. With regard to the asset addition of the 636 kWp solar PV plant, it was submitted that the cost claimed is significantly higher than the bench mark cost notified by MNRE.

The Commission during the hearing directed the licensee to furnish details of fixed deposits made from the surplus and the policy being followed regarding such deposits. The Commission directed the licensee to properly follow up matter regarding incentive from MNRE for the solar energy plant and to properly apprise the top management regarding the seriousness of the issue. The licensee shall furnish additional details if any on or before 03-03-2020.

Hearing concluded. Reserved for orders.

Sd/-  
**S.Venugopal**  
Member

Sd/-  
**Preman Dinaraj**  
Chairman

Approved for issue

Secretary