

BEFORE THE HONOURABLE
KERALA STATE ELECTRCITY REGULATORY COMMISSION

**PETITION IN THE MATTER OF APPROVAL OF
CAPITAL INVESTMENT PLAN
FOR FY2012-13 TO FY 2016-17**

SUBMITTED BY
TECHNOPARK, THIRUVANATHAPURAM

BEFORE
THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

Petition No: ETPK/KSERC/2019-20/176

IN THE MATTER OF:

Petition for approval of Capital Investment for financial Year from **2012-13 to 2016-17**

Applicant:

M/s. Electronics Technology Parks – Kerala (Technopark)
Park Centre, Technopark Campus, Thiruvananthapuram - 695581

AFFIDAVIT

I, **SASI PILACHERI MEETHAL** S/o Sri.Cheriyathu Nair,aged 59years, residing at TC-15/522-1, CSM Nagar, 79, Idapazhanji, Sasthamanglam P O, Thiruvananthapuram – 695 5010 do hereby solemnly affirm and state as follows:

1. I am the Chief Executive Officer of the institution named 'Electronics Technology Park – Kerala' (TECHNOPARK) and the petitioner in the above matter. I am duly authorised by the Executive Council of Technopark to make this affidavit on its behalf.

2. The statements made in the accompanying application are true to my knowledge and are derived from the official records made available to me and are based on information and advice received and I believe them to be true.

3. Solemnly affirmed that at Kazhakkuttam on this day of 7th February 2020 that the contents of the petition are true to my information, knowledge and belief and no part of it is false and nothing material has been concealed there from.

Deponent

SASI PILACHERI MEETHAL
Chief Executive Officer, Technopark,
Park Centre, Technopark Campus,
Thiruvananthapuram – 695 581

VERIFICATION

I, the above-named deponent, solemnly affirm at Kazhakkuttam on this 7th day of February 2020 the contents of the above affidavit are true to my information, knowledge and belief, that no part of it is false and no material has been concealed therefrom.

Deponent

SASI PILACHERI MEETHAL
Chief Executive Officer, Technopark,
Park Centre, Technopark Campus,
Thiruvananthapuram – 695 581

Identified and Solemnly affirmed and signed before me.

BEFORE
THE KERALA STATE ELECTRICITY REGULATORY COMMISSION
At its office at C V Raman Pillai Road, Vellayambalam, Thiruvananthapuram

Petition No: ETPK/KSERC/2019-20/176
Date: 07/02/2020

IN THE MATTER OF:

Petition for approval of Capital Investment Plan for Financial year 2012-13 to 2016-17 of the Distribution Licensee TECNOPARK.

Petitioner: M/s. Electronics Technology Parks – Kerala (Technopark)
Park Centre, Technopark Campus, Thiruvananthapuram - 695581

THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING FACTS:

1. The petitioner is a State Government owned registered society chiefly engaged in development of Technology Parks for promotion of Electronics and Information Technology business in the State of Kerala and possess Electricity Distribution Licences for supply of electricity within the three parks so developed in Kazhakuttam, Kollam and Pallippuram. The petitioner licensee has been regularly submitting petitions for approval of Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC), Year-end Truing-Up petitions and other submissions as per the prevailing acts and regulations.
2. The land for the development of the Parks has been provided by the State Government. The capital for the development of the Parks also has been provided by the State Government mainly as grants to the Petitioner. A portion of the capital requirement has been met by loans from banks and financial institutions which has been repaid without any default by the petitioner. The petitioner has been submitting the Capital Investment plan before the Commission in the petitions for approval of ARR and ERC. However, Hon Commission has directed the petitioner to submit separate petition for approval of all Capital Investment Plans. This petition, thus, is submitted in compliance with the above direction of the Hon Commission.

3. This petition contains details of capital investments carried out during the financial period 2012-13 to 2016-17. During this period, the prevailing regulations related to determination of Capital Investment of the distribution Licensee were the following two regulations.

- Kerala State Electricity Regulatory Commission (Tariff) Regulations, 2003 and
- The Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity under MYT Framework) Regulations, 2006'
- Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014.

Therefore, this petition is submitted complying with the above regulations.

4. The Capital Investments made by the petitioner licensee includes investment required to build electrical facilities for receiving power from the State Utility KSEBL at Extra High Voltage (EHV), substations to convert power to High Tension (HT) and then to Low Voltage (LV) and distribute through network to consumers in various buildings either constructed by the petitioner, consumer themselves or jointly with a third party. The investments are, therefore, mainly related to laying of EHV transmission cables from the utility substation to the petitioner's Park Campus, construction of EHV substation, construction of HT underground cable distribution networks and Distribution substations for supplying power at Low Voltage to consumers. Therefore, the cost of electrification of buildings are **not included** in the works of the licensee related to the electricity distribution business. However, Capital Investment required for installing Capacitors, static compensators, meters and related equipment, cost of infrastructure required up to the metering point, computer software for billing, Rooftop Solar plants, etc. are included in this capital investment approval petition.

5. Hon Commission wide the Truing up orders for FY 2012-13, (OA 38-2015 dated 12.01.2016) had taken a **Gross Fixed Assets of Rs. 2990.56 Lakhs at the beginning of the year** and **Rs. 612.06 Lakhs as Contribution from Grants and Consumer Contributions** for calculating the Depreciation allowable. On the balance **GFA (Rs. 2459.11)**, Hon Commission had allowed depreciation amounting to Rs. 82.23 Lakhs for that year. These values are taken as the basis for calculation of Cumulative GFA, Assets in subsequent years.

6. The petitioner had submitted details of Asset Additions made in each year from FY 2012-13 to FY 2016-17 as Annexure III to the clarification given vide letter No. ETPK/FIN/KSERC/TRUING-UP/2019-20/1/47 dated 06-01-2020 which is reproduced below. This was based on the accounts maintained by the petitioner as per the prevailing rules and policies of the organisation and as per the directions of the Auditors given from time to time.

Asset Additions from 2012-13 to 2016-17			
Year	Asset Head	Amount (Rs)	Source of funding
2012-13	Electrical Installation Kollam	42,633	Own
2012-13	Electrical Installation Phase I	921,957	Own

2012-13	Electrical Installation Technocity	201,011	Own
2012-13	Electrical Installation Phase III	656,425	Own
2012-13	Substation Phase III	116,506	Own
	Total	1,938,532	
2013-14	Electrical Substation Technocity	4,886,516	Own
2013-14	LT Lines - Technocity	1,045,977	Own
2013-14	Electrical Installation Phase III	4,930,071	Loan
2013-14	Line Shifting	12,065,474	Own
	Total	22,928,038	
2014-15	Electrical Installation Phase III	99,459,502	Loan
2014-15	Street Light System - Phase III	6,144,378	Loan
2014-15	Electrical Substation Phase III	16,304,154	Loan
2014-15	Electrical Substation Technocity	375,253	Own
2014-15	Electrical Substation Phase I	19,972,846	Own
2014-15	Electrical Installation Phase I	2,902,785	Own
2014-15	Electrical Dist. Network - Technopark Kollam	183,926,600	79.48% Grant
2014-15	Electrical Installation - Technopark Kollam	37,464,215	79.48% Grant
2014-15	Electrical Substation - Technopark Kollam	55,625,074	79.48% Grant
2014-15	Street Light System - Technopark Kollam	9,505,173	79.48% Grant
	Total	431,679,980	
2015-16	Software Packages	46,500	Own
2015-16	Electrical Substation Phase I	573,516	Own
	Total	620,016	
2016-17	Electrical Installation - Technopark Kollam	302,227	Own
2016-17	Electrical Substation - Technopark Kollam	376,954	Own
2016-17	Electrical Installation - Phase I	422,342	Own
2016-17	Street Light System - Phase I	3,935,102	Own
2016-17	Electrical Installation - Phase III	5,284,908	Own
2016-17	Street Light System - Phase III	2,553,541	Own
2016-17	Electrical Substation Technocity	22,852,627	Own
	Total	35,727,701	
	Grand Total	Rs. 492,894,267	

7. Now, the petitioner has conducted a thorough verification on the accounts and document related to the addition of Fixed Assets and it is observed that some of the amounts thus capitalised does not strictly related to the business of electricity distribution, but related to the main business of developing the park and facilities. Such items or capital costs that are not related to the Distribution business are withdrawn from the claim. Hon commission may kindly allow the petitioner to withdraw such claims.
8. Further, it was also noted that capital works, particularly in respect of the Technocity Campus developed at Pallippuram, were capitalised in part before the entire Campus was commissioned for lease or customer use. Such items and their costs were deferred for the respective year of commissioning of the project. Accordingly, the capitalisation in each financial year as per the Regulations issued by the Hon Commission has been recast as explained in the following paragraphs. This matter is explained with reference to the details in the above given table submitted to the Hon Commission.

Financial Year 2012-13:

9. An amount of **Rs. 19.39 Lakhs** was shown as capitalised amount in this year in the above-mentioned submission before the Commission. The split-up of each component of the Capital Expense and the amount withdrawn or deferred for capitalisation later are given in the following table.

Asset Head / Expense item	Amount (Rs)	Remarks
Electrical Installation Kollam.		
Paid for entrance gate electrification	42,633	Withdrawn. Not Distribution Business
Electrical Installation Phase I		
Service Tax reimbursed	2,30,025	For capital work done earlier. Capitalised
Consultancy charges for Phase I	7,505	Capitalised
Paid for Hi-mast System	6,84,427	Capitalised
Sub-total	9,21,957	
Electrical Installation Technocity		
KSEB Transf. shifting & Power Connection	2,01,011	Capitalised. But Deferred to FY 2019-20
Electrical Installation Phase III		
MCCB for temporary supply	16,746	Capitalised
Cables and Accessories for Temp Supply	4,99,655	Capitalised
Road Cutting Charges for PWD	9,560	Capitalised
Cable Laying	42,168	Capitalised
Load Bank for temp supply	8,7370	Capitalised
Transformer Oil Testing Etc.	926	Capitalised
Sub-Total	6,56,425	
Substation Phase III		
Purchase of TOD Meters	1,16,506	Capitalised
Total Amount	19,38,532	As per submission dt 06-01-2020
Less Amount withdrawn	42,633	As not related to Distribution Business
Less Amount deferred	2,01,011	As Technocity was not commissioned
Revised Amount for capitalisation	Rs. 16,94,888	

10. Hon Commission may please note that the major component of **capital investment work done in Phase -1** of the Technopark Campus was the installation of the High Mast system at the rear gate of the campus for public lighting. The high mast lighting system is an essential security during night as well as for convenience of the employees and public. Unlike in State Utility where the installation and operation of streetlights are borne by the Local Bodies, the petitioner bear the entire cost of such systems. Hon Commission may kindly consider this aspect and allow the cost to be capitalised. The other major capex component being Service Tax reimbursed for Capital works completed in previous years and approved by Hon Commission. Therefore, the Commission may allow this cost to be capitalised with small consultancy charges paid in the year.
11. The Capital Spent for '**Electrical Installation Technocity (Phase-4)**' was related to amount remitted to the State Utility, KSEB, for shifting of a 100 kVA Distribution Transformer and for providing 500 KVA power Connection to a Unitised Sub-station used for supply of power to the

construction work etc. in the Technocity Campus. However, as mentioned above, this cost is deferred till the Commissioning of the Entire Technocity Campus Facility in FY 2019-20.

12. Similarly, Capital spent under ‘**Electrical Installation – Phase III**’ was for providing temporary supply for construction works undertaken in the Phase – 3 area of the Campus in FY 2012-13. An amount of **Rs.116, 506** was incurred in purchasing TOD Meters for use in the 110 KV Substation.
13. Hon Commission may kindly note that an amount of **Rs. 42,633** is withdrawn since it was not related to the Distribution activity of the Petitioner. The amount incurred in the Technocity Campus as mentioned earlier, is deferred. Thus, the total capital amount for **FY2012-13** was **Rs. 16, 94,888**. The entire amount, it may kindly be noted, were met from the petitioner’s own fund. There was no grant or consumer contribution in creation of these assets. There was also no major decommissioning of assets in the year. Thus, the Gross Fixed Asset at the end of the FY 2012-13 was **Rs. 30,00,66,461** out of which the assets created from grants etc. remained **Rs. 612.06** same as the opening value. This is shown in the Table Below.

Year	Opening GFA	Additions	Closing GFA	Grants Etc
2012-13	29,90,55,644	16,94,888	30,07,50,532	6,12,06,000

Financial Year 2013-14:

14. The capitalised amount given in the submission (DT06-01-2020), mentioned earlier, was **Rs.229.28** Lakhs for FY 2013-14. A portion of the amount was used to relocate a Unitised Substation (USS) for supply of power to the Construction work at Technocity Campus at Pallippuram. This amount has been deferred for capitalisation since that campus was not operational. Similarly, an amount of **Rs. 2,70,809** and **Rs. 1,96,000** which were expenses for providing connection to the 750 kVA DG Sets and for earthing stations for lighting arresters at the Building are also withdrawn as they do not form part of the Distribution assets. These details are given in the table below.

Asset Head / Expense Item	Amount (Rs)	Remarks
Electrical Substation -Technocity		
<i>Expenses towards providing supply to USS</i>	<i>48,86,516</i>	<i>Deferred</i>
LT Lines – Technocity		
<i>LT Line for supply to Technopark Rehab Area</i>	<i>10,45,977</i>	<i>Deferred</i>
Line Shifting – (Phase III)		
<i>110 kV Line shifting inside Phase III</i>	<i>1,20,65,474</i>	<i>Withdrawn</i>
Electrical Installation Phase III		
<i>Busbars for Connecting LT Panels</i>	<i>11,65,152</i>	<i>Capitalised</i>
<i>Temporary Connection for lifts</i>	<i>2,21,075</i>	<i>Capitalised</i>
<i>Earth Pit Chambers (22 Nos)</i>	<i>77,279</i>	<i>Capitalised</i>
<i>Modification of Existing Panels</i>	<i>4,19,750</i>	<i>Capitalised</i>
<i>Adapter Boxes for Transformers and ACB Panels</i>	<i>9,46,640</i>	<i>Capitalised</i>

<i>Flexible Links for connecting 1500 kVA DGs</i>	2,70,809	<i>Withdrawn</i>
<i>Relocation of 500 kVA USS</i>	16,33,365	<i>Capitalised</i>
<i>Plate Earth Stations for Lightning protection</i>	1,96,000	<i>Withdrawn</i>
Sub Total	49,30,070	
Total amount Capitalised	2,29,28,037	As per submission
Less Amount Withdrawn	1,25,32,283	
Less amount Deferred	59,32,493	
Revised Amount to be Capitalised	Rs. 44,63,261	

15. It may please be noted that, the expenditure for Technocity Campus has been deferred for reasons already mentioned. The amount spent on DG set links and that for lightning protection are unrelated to the Distribution activity and hence withdrawn. The balance amount spent for capital works for the year was the petitioner's own fund and no grants or contributions were used for capital work. The capital works carried out was for the purpose of providing temporary supply for construction and as obligated by the law. There was no decommissioning of assets (related to Distribution Business) in that year and thus the closing Gross Fixed Assets and the Cumulative Grants / Contribution amount would be as given in the Table below. Hon Commission may please approve the above amount for capitalisation.

Year	Opening GFA (Rs)	Additions (Rs)	Closing GFA (Rs)	Grants Etc (Rs)
2012-13	29,90,55,644	16,94,888	30,07,50,532	6,12,06,000
2013-14	30,07,50,532	44,63,261	30,52,13,793	6,12,06,000

Financial Year 2014-15

16. The amount capitalised in FY 2014-15 was shown as **Rs 43,16,79,980** in Annexure – III of the submission dated 16-01-2020. As already discussed, a thorough verification of the accounts has been made and it is found that certain amounts are not related to the Distribution Business and has to be withdrawn and certain other amounts are to be capitalised in subsequent years. It may be noted further that a main receiving substation in Phase-1 for meeting additional Load, the expansion of the Phase-3 area and Kollam Campus (Phase-5) were completed in the year and accordingly, the expenses were capitalised. This matter is shown in the Table below and explained in subsequent paragraphs.

Asset Head / Expense Item	Amount (Rs)	Remarks
Electrical Installation Phase III:		
<i>Electrify of IT Building (Blue star) + IDC</i>	90,971,712	<i>Rs. 3,86,51,847 withdrawn. See Para below</i>
<i>Tender Advertisement (Stark Com)</i>	510,725	<i>Rs. 3,06,841 withdrawn. See Para below</i>
<i>Consultancy fees (Iyer & Mahesh)</i>	1,579,321	<i>Rs. 7,54,600 withdrawn. See Para below</i>
<i>Consultancy fees (Nambyathiri)</i>	50,000	<i>Rs. 23,890 withdrawn. See Para below</i>

<i>Busbar segregation (Linsta)</i>	249,949	<i>Fully Capitalised</i>
<i>Electrical Inspectorate Fees</i>	1,382,195	<i>Fully Capitalised</i>
<i>Common Area Electrification (Zealtech)</i>	383,762	<i>Not admissible, withdrawn.</i>
<i>Podium Area Lighting (Fathima)</i>	612,402	<i>Not admissible, withdrawn.</i>
<i>TOD Meters (Cynosure)</i>	323,876	<i>Fully Capitalised</i>
<i>Other Items (Purchase of small items)</i>	1,507,685	<i>Rs. 7,87,627 Withdrawn. See Para below</i>
Sub Total	97,571,627	
Street light system – Phase III	61,44,378	Capitalised
Electrical substation – Technocity	3,75,253	Deferred
Electrical Substation Phase I:		
<i>Consultancy Charges (Jayachandran)</i>	97,652	<i>Capitalised</i>
<i>Consultancy Charges (Rand)</i>	5,99,606	<i>Capitalised</i>
<i>New 11 kV SS Construction (Fathima)</i>	1,91,52,230	<i>Capitalised</i>
<i>Inspectorate Testing Fee (Fathima)</i>	1,23,718	<i>Capitalised</i>
Sub Total	199,73,206	
Electrical Installation Phase I :		
<i>High Mast System</i>	23,49,391	<i>Capitalised</i>
<i>APFC panel (200 kVAr)</i>	5,33,025	<i>Capitalised</i>
<i>Inspectorate Fee</i>	20,369	<i>Capitalised</i>
Sub Total	29,02,785	
Electrical Distribution Network - Kollam		
<i>Land Developmentetc.</i>	9,56,822	<i>Rs. 3,97,368 withdrawn. See Para below</i>
<i>110kV UGCable (KSEB WD)</i>	18,29,69,778	<i>Capitalised</i>
Sub Total	18,39,26,600	
Electrical Installation – Kollam:		
<i>IT building Electrification Cost (Imperial)</i>	3,54,45,668	<i>Rs.1,47,36,125 withdrawn. See Para below</i>
<i>Tender Advertisement Cost (Stark)</i>	4,60,536	<i>Rs.1,87,325 withdrawn. See Para below</i>
<i>Consultancy (Jayachandran)</i>	5,24,188	<i>Rs.2,13,216withdrawn. See Para below</i>
<i>Consultancy (Ramachandran)</i>	10,16,667	<i>Rs.4,22,222 withdrawn. See Para below</i>
Sub Total	3,74,64,215	
Electrical Substation - Kollam		
<i>110 KV Substation (Siemens)</i>	5,29,31,147	<i>Capitalised</i>
<i>Consultation Fee (JAD)</i>	9,08,442	<i>Capitalised</i>
<i>Inspection Fee (Inspectorate)</i>	46,741	<i>Capitalised</i>
<i>Transformer Oil Filtration</i>	1,25,000	<i>Capitalised</i>
<i>CSS Installation (Imperial)</i>	18,50,747	<i>Capitalised</i>
<i>Advertisement Expenses</i>	1,74,604	<i>Capitalised</i>
<i>PA System (KSERC Hearing)</i>	3500	<i>Capitalised</i>
<i>Cable Transportation</i>	7,700	<i>Capitalised</i>
<i>Less: Already Capitalised in FY2010-11</i>	<i>15,61,196</i>	
Sub Total	5,44,86,665	
Street Light System – Kollam	95,05,173	
Grand Total	41,23,49,902	

Less Amount Withdrawn	5,74,77,226	
Less amount Deferred	3,75,253	
Revised Amount to be Capitalised	35,44,97,423	

- 17.** In respect of the ‘**Electrical Installation Phase – III**’, kindly note that, the work order for electrification of the IT building included works that were related to the business of distribution along with the work related to electrification of the Building itself. A detailed analysis of the work order has revealed that only 52.22% of the amount are related to the distribution business and the balance is related to the cost of electrification of the building. Therefore, **52.2%** of amount actually disbursed till that time is capitalised and the balance (**Rs. 3,86,51,847**) is withdrawn. Similarly, the tender advertisement charges, consultancy charges, are also apportioned in the above ratio. The Busbar segregation work expenses and the fee paid to the inspectorate are fully admissible and capitalised. However, the Common area electrification and podium area lighting are not admissible and therefore withdrawn. In respect of the “other items” shown, an amount of **Rs. 7,87,627** has been withdrawn after verification and removal of capital items that are not linked to the business of distribution, the capital expenses on Street Light systems are capitalised for reasons mentioned earlier.
- 18.** In the **Phase -1 Campus, a new 11 kV main receiving station** has been built in the year for receiving additional power from KSEB, for meeting additional load of a major customer Tata Consultancy Services (TCS) of 9.72 MVA and other loads expected in future. The existing two main receiving substations at that time was fully utilised and no spare capacity was available. The main work included Installation of new 11 kV HT panels, 11 kV Cables from the 110 kV Substation and construction of the Station building. The total amount capitalised was **Rs. 199,72,846** which included the Consultancy charges and inspectorate fee as shown in the Table above.
- 19.** Under the head “**Electrical Installation – Phase I**”, a High Mast lamps for security purposes and a 520 kVAr Automatic Power Factor Control (APFC) panels for ensuring supply quality to the Consumers have been Commissioned and expenses capitalised along with respective inspectorate Fee.
- 20.** Under ‘**Electrical Distribution Network – Kollam**’ in the above Table, the land development expenses chargeable to the Distribution Network is determined at 58.47% (discussed in next Para) of the total development expenses apportioned to the electrical works including pre-operative expenses. The balance amount, not chargeable (**Rs. 3,97,368**) is withdrawn. The major capital Cost incurred under that head is related to the laying of 110 kV underground power cable the Technopark Kollam Campus at a cost of **Rs. 18.3 Cr.** This amount deposited with KSEB for carrying out the work on Deposit Work basis is capitalised.
- 21.** In respect of ‘**Electrical Installations – Kollam**’, it may be noted that, on scrutinising the Work Order placed with the contractor firm, M/s. Imperial Engg Co, for building electrification, it is found that the value items attributable to the distribution business was **58.47%** of the total value. Correspondingly, the balance amount is withdrawn. Similarly, the advertisement charges and the consultancy charges paid are also apportioned at **58.47%** of the cost to the Distribution business, withdrawing the balance amount.

22. In Respect of the asset head 'Electrical Substation Kollam', the full expenses for building a 110-kV substation at Kollam for receiving and converting KSEB power, except the amount capitalised earlier has been capitalised in FY 2014-15. The expenses on street light system for Kollam Campus has also been capitalised that year.

23. Hon Commission may kindly note from the above discussion that the expansion projects undertaken mentioned above (in Phase I, Phase III and Phase V, Kollam) had been very essential for providing and ensuring quality and reliable power supply to Information Technology Industries expected to be established in respective Park Campuses. The capital expenses incurred there on are, therefore, inevitable for developing the campus. The petitioner has ensured the least cost expansion of the Campus facilities by resorting to awarding works based on a transparent competitive bidding process except for the amount paid to KSEB on Deposit Work Basis. Hon Commission may, therefore, approve the capital expenditure mentioned above.

24. Now, the Government of Kerala had provided **Capital Grants for the Kollam campus** for 2014-15 by way of taking over the loan availed from NABARD for the Kollam Campus. The amount apportioned for the Electrical Distribution work is given in the Table below. The grant received apportioned for the Distribution Business is at **79.48%** of the total Electrical Project Cost.

No	Asset Head	EleAssetsAdded (Rs)	Withdrawals (Rs)	DistAsset Added (Rs)	Grant @ 79.48% (Rs)
1	Elec Distr Network	18,39,26,600	3,97,368	18,35,29,232	14,58,69,034
2	EleInstallation	3,74,64,215	1,55,58,888	2,19,05,327	1,74,10,354
3	Elec Substation	5,44,86,665		5,44,86,665	4,33,06,001
4	Street Light	95,05,173		95,05,173	75,54,711
	Total	28,53,82,653	1,59,56,257	26,94,26,396	21,41,40,100

25. Since there was no decommissioning of assets (related to Distribution Business) in that year, the closing Gross Fixed Assets and the Grants / contribution amount would be as given in the Table below. Hon Commission may please approve the above amount for capitalisation.

Year	Opening GFA (Rs)	Additions (Rs)	Closing GFA (Rs)	Grants Etc (Rs)
2012-13	29,90,55,644	16,94,888	30,07,50,532	6,12,06,000
2013-14	30,07,50,532	44,63,261	30,52,13,793	6,12,06,000
2014-15	30,52,13,793	35,44,97,423	65,97,11,216	27,53,46,100

Financial Year 2015-16

26. The total amount shown capitalised in the submission dated 06-01-2020 was **Rs. 6,20,016** for FY 2015-16. There was no amount to be withdrawn or deferred in respect of the capital expenses made in the year. Therefore, the full amount shown in the above submission is to be capitalised which is shown in the table below.

Asset Head / Expense Item	Amount (Rs)	Remarks
Software Packages:		
Tally TDL Charges for power Billing (VRS Infosys)	46,500	Capitalised

Electrical Substation – Phase - I		
<i>Tender Advertisement for Substation (Stark)</i>	5,73,516	<i>Capitalised.</i>
Sub Total	Rs. 6,20,616	Same as in submission

27. An amount of Rs. 46,500 had been paid for modifying the Accounting Software 'Tally' for automation of consumer billing and preparation of accounts. An amount of Rs. 5.73 Lakhs, advertisement expenses for tendering of Electrical Substation Phase -I has also been capitalised in that year.
28. There were no assets added with grants and contributions. There was also no decommissioning of assets. Therefore, the Gross Fixed Assets, the Grants and contribution level would be as shown in the table below:

Year	Opening GFA (Rs)	Additions (Rs)	Closing GFA (Rs)	Grants Etc (Rs)
2012-13	29,90,55,644	16,94,888	30,07,50,532	6,12,06,000
2013-14	30,07,50,532	44,63,261	30,52,13,793	6,12,06,000
2014-15	30,52,13,793	35,44,97,423	65,97,11,216	27,53,46,100
2015-16	65,97,11,216	6,20,016	66,03,31,232	27,53,46,100

Financial Year 2016-17

29. For the Financial Year 2016-17, an amount of **Rs.3,57,27,701** was shown as capitalised in submission (06-01-2020). The items included in the assets have been verified and items which does not form part of the distribution business have been withdrawn. The details are given in the table below.

Asset Head / Expense Item	Amount (Rs)	Remarks
Electrical Installation – Technopark Kollam		
<i>Electrical Sub Panels (KK Associates)</i>	1,55,100	<i>Capitalised</i>
<i>Energy Audit (KSPC)</i>	79,350	<i>Fully Withdrawn</i>
<i>Consultation Charges (JADE)</i>	67,777	<i>Rs.54,222 withdrawn</i>
Sub Total	3,02,227	
Electrical substation – Technopark Kollam		
<i>Vacuum Circuit Breaker (Imperial)</i>	3,76,954	<i>Capitalised</i>
Electrical Installations – Phase I		
<i>LED Fixtures Installation (Ultimax)</i>	1,15,800	<i>Withdrawn</i>
<i>Electrical Works - Gayathri First Floor</i>	3,06,542	<i>Withdrawn</i>
Sub Total	4,22,342	
Street light System -Phase I	39,35,102	<i>Capitalised</i>
Electrical Installation - Phase III		
<i>Main LT Panels (Linsta)</i>	18,17,656	<i>Capitalised</i>
<i>Motorised Potentiometers (Proficient)</i>	1,29,500	<i>Withdrawn</i>
<i>Distribution Boards (Linsta)</i>	29,47,366	<i>Withdrawn</i>
<i>Sub Panels (Linsta)</i>	8,000	<i>Capitalised</i>
<i>Sub Panels (SL Electrical)</i>	3,82,386	<i>Capitalised</i>
Sub total	52,84,908	
Street light System -Phase III	25,53,541	<i>Capitalised</i>
Electrical Substation- Technocity	2,28,52,627	<i>Deferred</i>
Grand Total	3,57,27,701	

Less Amount Withdrawn	36,32,780	
Less amount Deferred	2,28,52,627	
Total Revised Amount to be Capitalised	Rs. 9,242,294	

30. The asset head '**Electrical Installations – Technopark Kollam**' included installation of subpanels in the distribution system that amounted to Rs. 1.55 Lakhs. The amount shown capitalised for Energy Audit is fully withdrawn. Only a portion (20%) of the Consultation charges paid are capitalised for the distribution business. A Vacuum Circuit Breaker had been purchased for use at the '**Electrical Substation, Technopark Kollam**' in that year and has been fully capitalised. The capital Works carried out in '**Electrical Installations -Phase I**' does not relate to the distribution business and hence is withdrawn, whereas the expense incurred for the streetlight system has been capitalised. '**Electrical Installations -Phase III**' included addition of main and sub Panels for providing supply to consumers and Distribution Boards. The cost of Distribution Boards and that of motorised potentiometers used for DG sets are removed from the expenses to be capitalised that year. However, the capital cost incurred in installing the '**Street Light System – Phase III**' has been capitalised. Since these works were essential for the distribution of quality power to consumers reliably and safely, Hon Commission may please approve the above amount for capitalisation.

31. There was no decommissioning of assets (related to Distribution Business) in FY 2016-17. There was also no grants or consumer contribution used for creating Fixed assets that year. Thus, the Gross Fixed Assets and the Grants / contribution amount (in Rs) would be as given in the Table below.

Year	Opening GFA (Rs)	Additions (Rs)	Closing GFA (Rs)	Grants Etc (Rs)
2012-13	29,90,55,644	16,94,888	30,07,50,532	6,12,06,000
2013-14	30,07,50,532	44,63,261	30,52,13,793	6,12,06,000
2014-15	30,52,13,793	35,44,97,423	65,97,11,216	27,53,46,100
2015-16	65,97,11,216	6,20,016	66,03,31,232	27,53,46,100
2016-17	66,03,31,232	92,42,294	66,95,73,526	27,53,46,100

32. Hon Commission may please note that the major capital Investment made during the above years was related to project works for expansion of the (1) Additional Main Receiving Station in Phase I Phase I and (2) development of Phase III area in Kazhakkuttam Campus (3) Development of Kollam Campus and (3) development of Technocity campus at Pallippuram. The petitioner is obligated to provide supply on demand in these areas. The capital expenses incurred described above were essential for creating the required infrastructure to provide supply during construction and to individual customers after commissioning in the respective park areas. However, in respect of the capital expenditure for Technocity during FY 2012-2017, the amount of capitalisation is deferred till Commissioning of the entire campus in FY 2019-20. A summary of the capital expenses for adding Distribution Assets over the years are summarised in the Table below.

Campus	Phase – I	Phase - III	Phase -V Kollam	Common	Total
2012-13	9,21,957	7,72,931	-	-	16,94,888

2013-14	-	44,63,261	-	-	44,63,261
2014-15	2,28,75,991	6,21,95,036	26,94,26,396	-	35,44,97,423
2015-16	5,73,516	-	-	46,500	6,20,016
2016-17	39,35,102	47,61,583	5,45,609	-	92,42,294
Total	2,83,06,656	7,21,92,811	26,99,72,005	46,500	37,05,17,972

- 33.** The work orders / Tender documents related to the major project work executed during the period are submitted separately along with this petition. These documents contain the scope of work and detailed cost of works one for each capital project for ready reference for the Hon Commission.
- 34.** Now, Hon Commission, has already approved the **Capital Investment for FY 2017-18** vide Order No. OP-12/2017 dated 13-11-2019. In the order Hon Commission had approved all capital investment plan submitted by the petitioner except the Capital Investment for Installation of 200 kWp Roof Top Solar System. Hon Commission has decided by comparing the present market price for solar systems, the cost proposed was higher and ordered to cancel original bid and invite fresh bid through e-reverse bid. In this regard the petitioner may be allowed to submit the following. The Government of Kerala had provided the grant for installing the solar system. The grant amount allotted had to be utilised within time and the utilisation certificate has to be submitted to the Government before the respective financial year. The petitioner had submitted the petition for Capital Investment approval in 15-09-2017. The petitioner had also continued the tendering process in anticipation of approval of the Hon Commission, because of the urgency of utilising the grant. The tender for installing the solar plant was invited through transparent e-tendering process for which the ANERT was the consultant. The L1 bidder was KETRON, Government Organisation, and the order was placed with for a price of **Rs. 1,14,93,000** for 200 kW. This corresponds to Rs.5.75 Cr per MW which is comparable to the rate of roof top solar panels prevailed in 2017-18. The solar plants are installed above the roof of the high-rise buildings and therefore KELTRON may have considered additional cost incurred in transportation, loading and unloading charges. The Solar Panel was thus commissioned in March 2018, itself and now is being successfully operated. It may also be noted that the asset, being fully created out of Government Grant, on capitalisation, neither eligible for depreciation nor for determining the Return On Investment. Under these circumstances, it is earnestly appealed that Hon Commission may please reconsider the earlier decision and allow the petitioner to capitalise the expense incurred towards the 200-kW solar plant.

PRAYER

The petitioner, therefore, earnestly plead that, Hon Commission may please consider the above petition and

- Approve the capital investment made in the Financial Years from 2012-13 to 2016-17 mentioned above for a total amount of **Rs. 37.05 Cr** as submitted in this petition shown above and also to
- Approve the capital investment for the 200-kW solar plant by reviewing earlier order.

DEPONENT

SASI PILACHERI MEETHAL
Chief Executive Officer,
Park Centre, Technopark Campus,
Thiruvananthapuram – 695 581

ACC: Copy of Work orders /Tender Documents (submitted separately)