

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

Present: Shri T K Jose, Chairman  
Adv. A J Wilson, Member  
Shri B Pradeep, Member

**OP 10/2023**

In the matter of : Petition filed by M/s Cochin Special Economic Zone Authority (CSEZA) for ARR&ERC for the Control Period 2022-23 to 2026-27

Petitioner : M/s Cochin Special Economic Zone Authority (CSEZA)

Represented by : Sri. Boni Prasada Rao INMMS, DDC, CSEZA  
Sri. Pramodu S, Secretary in Charge, CSEZA  
Sri. K. C Seetharaman, Consultant, CSEZA  
Sri. Krishna Varma K, Consultant, CSEZA

Respondent : M/s Kerala State Electricity Board Limited

Represented by : Sri. Rajan, Deputy Chief Engineer, TRAC, KSEB Ltd  
Sri. Ajith Kumar K.N, Executive Engineer, KSEB Ltd  
Sri. Shine Raj, Assistant Engineer, KSEB Ltd

Date of hearing : 17.02.2023 at Conference Hall, CSEZA

**Daily Order Dated 22.02.2023**

1. M/s Cochin Special Economic Zone Authority is a government owned Special Economic Zone, under the Ministry of Commerce and Industry, Department of Commerce, Government of India. Cochin Special Economic Zone Authority (CSEZA) constituted under the SEZ Act 2005, is the developer of the Zone providing infrastructure and other related services to the Zone. The licensee has filed the present petition for the approval of ARR & ERC for the Control Period 2022- 23 to 2026-27 as per the provisions of Tariff Regulations 2021.
2. The Public hearing on the petition was conducted on 17.02.2023 at the Conference Hall, Office of CSEZA at 12.00 PM. The petitioner, M/s Cochin Special Economic Zone Authority was represented by Sri. Boni Prasada Rao, Deputy Development Commissioner, Sri. Pramodu S, Secretary-in-Charge, CSEZA, Sri Seetharaman, Consultant and other officers and consultants of CSEZA. Sri. Rajan, Deputy Chief Engineer, TRAC. Sri. Ajith Kumar K.N, Executive Engineer and Sri. Shine Raj, Assistant Engineer representing KSEB Ltd, consumers in the license area and other stakeholders also participated in the hearing. Sri. Pramodu S, presented details on the petition and responded to

the queries of the Commission. The main points made by the licensee are briefed below.

- a) The licensee has a substation capacity of 25 MVA (2X12.5MVA) Transformers and have power purchase agreement with KSEB Ltd valid up to 31.03.2025 with contract demand of 13 MVA at 110 kV.
- b) Actual energy sale from 1st April 2021 to 31st December 2021 was considered for the sales projection for the MYT Period. Additional Load expected for new SDF 3 and ZLD project has been considered for projection of Sale for MYT period from the estimated sale for 2022-23.
- c) The distribution loss of 1.45 % is estimated for FY 2022-23. Projection of Distribution loss for MYT Control period has been done considering 1% reduction of loss from the percentage of distribution loss estimated for the previous year.
- d) Energy Audit conducted through Accredited Energy Auditor M/s Kerala State Productivity Council has reported that actual distribution loss for FY 2021-22 is 1.45% considering switchgear/contact loss.
- e) A&G expenses includes O&M charges for prepaid metering software system. This expense has reduced in the MYT period compared to the year 2022-23.
- f) The Capital Expenditure proposal for the MYT period is Rs.414.68 lakh. The fund for the capital additions are to be met from the surplus available in CSEZA's Power Distribution System Account.
- g) Depreciation expenditure for the Control Period from FY 2022-23 to FY 2026-27 has been computed in accordance with Regulation 27 of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021.
- h) Return on NFA for the MYT control period 2022-23 to 2026-27 has been computed as per Regulation 28 of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021.
- i) Under the O&M cost, one time and emergency expenses not included the present claim, which may have to be incurred during the Control Period may also be allowed at the time of truing up of accounts.
- j) With regard to Renewable Purchase Obligation of the licensee, the licensee stated that there is no space or other facilities for generating neither non-solar nor solar energy within the licensed area.
- k) It is further stated that, the licensee is unable to procure renewable energy from outside sources through Open access, within the Contract demand as per PPA executed with KSEB Ltd.

3. KSEB Ltd presented their views on the petition before the Commission and submitted that the written comments shall be submitted subsequently.
4. During the hearing, the Commission sought the necessity of the proposed capital expenditure and directed the licensee to submit detailed analysis, justifying the needs for the proposed capital expenditure. Further, the Commission has sought the view of KSEB Ltd regarding the RPO obligations and Open access. KSEB Ltd was directed to submit their opinion/stand with regard to KSEB Ltd meeting the RPO of CSEZA on or before 10.03.2023.
5. The Commission also directed CSEZA to submit their counter, if any on the comments of KSEB Ltd and submit the following additional information/clarifications on or before 10.03.2023.
  - a) A&G expense include Professional charges for preparation of DPR for capital investment above Rs.15.00 lakh to be incurred additionally. Is this to be incurred in all the years?
  - b) The licensee has proposed planning of Repair & Maintenance expenses for the entire Control Period. However, this proposal includes replacement of some assets as one-time addition. The licensee may clarify whether these are needed as part of the asset additions proposal for the MYT period.
6. In case submission of details are not made within the date stipulated, the Commission shall presume that the licensee has no further submissions to make, and the Order shall be finalized accordingly.

Sd/-

**Sri. B. Pradeep**  
**Member**

Sd/-

**Adv. A. J. Wilson**  
**Member**

Sd/-

**Sri. T.K Jose**  
**Chairman**

**Approved for Issue**

**Sd/-**

**Secretary**