

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

**Petition No: OP 81 / 2022**

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

In the matter of : Petition filed by M/s Technopark for the Truing up of Accounts for the financial year 2020-21

Petitioner : M/s Technopark, Trivandrum

Date of Hearing : 01.02.2023 at the Conference Hall, Technopark, Trivandrum.

Represented by : Col. Sanjeev Nair, CEO  
Smt. Jayanthi L, CFO  
Shri. Madhavan Praveen, GM Projects  
Shri. Viswanathan N, Dy Manager (Fin)  
Shri. Anfal, Dy. Manager (Electrical)

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  
Smt. Biji Christudas, Assistant Engineer, KSEB Ltd

**Order Dated 27.07.2023**

1. M/s Technopark, Thiruvananthapuram (hereinafter referred to as the Technopark or the licensee or the petitioner) vide letter No. ETPK/FIN/KSERC/2022-23/598 dated 23.05.2022 submitted a petition for Truing Up of Accounts for the financial year 2020-21 as per the provisions of KSERC (Terms and conditions for determination of Tariff) Regulations, 2018 (hereinafter referred to as Tariff Regulations, 2018). As per Regulation 10(2) of the Tariff Regulations 2018, the petition for Truing Up of accounts for 2020-21 is to be filed by the licensee on or before 30-11-2021. However, the licensee has filed the petition for the Truing up for the year 2020-21 only on 27.05.2022 and hence there is a delay of 177 days in filing the Truing up petition. Since there was a delay of 177 days, the licensee had also filed petition for condonation of delay and the Commission has condoned the delay in filing the Truing Up petition vide Order OP No.37/2022 dated 02.06.2022 and admitted the petition as OP No.81/2022.

2. The Commission had notified the Tariff Regulations, 2018 applicable for the Control Period from 2018-19 to 2021-22. As per the provisions of these Regulations, the Commission had approved the ARR&ERC for the Control Period from 2018-19 to 2021-22 as per Order dated 24-03-2020. Regulation 15 of the Tariff Regulations, 2018 provides for the filing of the petition for Truing Up of Accounts for the relevant years. The present petition pertains to the Truing Up of Accounts for the third year of the Control Period i.e., 2020-21.
3. In the instant petition, the licensee has arrived at a revenue gap of Rs.0.47 lakh for the year 2020-21, as against a revenue surplus of Rs.521.96 lakh approved by the Commission in the Order on ARR dated 24-03-2020. The comparison of ARR&ERC Order and the petition for Truing up of Accounts for the year 2020-21 and the Trued-Up figures for the previous year is tabulated hereunder.

**Table 1**  
**Comparison of ARR&ERC for the period 2019-20 and 2020-21**

Particulars	2019-20		2020-21		
	Truing Up Petition (A)	Trued Up	Approved in ARR	Truing Up Petition (B)	Difference with previous year (C)=(B)-(A)
	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)
Revenue from Sale of Power	6,760.31	6,760.31	7466.51	4260.79	-2,499.52
Non-Tariff Income	129.20	214.55	96.27	94.04	-35.16
<b>Total Income</b>	<b>6,889.51</b>	<b>6,974.86</b>	<b>7562.78</b>	<b>4354.83</b>	<b>-2,534.68</b>
Purchase of Power	5,764.40	5,718.34	6460.64	3511.93	-2,252.47
Employee Cost	39.15	39.15	32.95	45.85	6.70
R&M Expenses	479.98	281.82	201.00	376.29	-103.69
A &G Expenses	145.79	55.64	57.41	89.27	-56.52
Interest and finance charges on long term loans	92.28	28.96	0.79	30.08	-62.20
Interest on consumer security deposits etc	94.27	94.27	97.78	98.85	4.58
Depreciation	189.38	142.60	131.54	154.06	-35.32
Return on NFA	55.95	27.88	58.71	48.96	-6.99
<b>Total Expenditure</b>	<b>6,861.19</b>	<b>6,388.66</b>	<b>7040.82</b>	<b>4355.30</b>	<b>-2,505.89</b>
<b>Net Surplus/(-Gap)</b>	<b>28.32</b>	<b>586.20</b>	<b>521.96</b>	<b>-0.47</b>	<b>-28.79</b>

4. The hearing on the petition was conducted in Conference Hall, Technopark on 01.02.2023 at 11.00 AM. The petitioner, M/s Technopark was represented by Colonel Sanjeev Nair, Chief Executive Officer, Smt. Jayanthi. L - Chief Finance

Officer, Shri. Madhavan Praveen – G.M. Projects, Shri. Anfal - Deputy Manager (Electrical) and Shri. Viswanathan – Deputy Manager (Finance). Shri. Anfal, presented the details of the petition on the truing up of accounts for the year 2020-21. The important submissions made by Technopark during the hearing are: -

- a) The petitioner has served a total of 857 consumers in financial year 2020-21 and the sale during the year is 505.43 lakh units. The sale has reduced compared to the previous year as a result of the lock down imposed due to the spread of COVID 19 pandemic. The distribution loss for the year is 3.29%
- b) The power purchase cost for 518.55 lakh units purchased from KSEB Ltd is Rs.3511.93 lakh. The total energy requirement for the licensee is 522.62 lakh units. Out of the total energy requirement, 4.07 lakh units is generated from the four rooftop solar plants with total capacity of 285 kW.
- c) The Employee Cost of Rs.45.85 lakh includes the salary and benefits paid to the permanent employees of Technopark directly involved in the distribution business activity.
- d) The A&G Expenses of Rs.89.27 lakh claimed by the licensee includes Payment of Rs.29.64 lakh towards Electricity Duty under Section 3(1) of the Kerala Electricity Duty Act 1963.
- e) The R&M Costs for the year is Rs.376.29 lakh which is the cost for operation, maintenance and repairs of the distribution system carried out by licensed electrical contractors and the work was awarded after a due transparent process
- f) Asset addition of Rs.1986.98 lakh has been capitalised in 2020-21 which includes Rs.1695.35 lakh incurred for creation of the 110 kV digital Substation and distribution network at Technocity. The Assets are created out of grants (Rs 1,663.14 lakh) and balance own fund (Rs 323.84 lakh).
- g) The depreciation claimed by the licensee in the petition for truing up for the year 2020-21 is Rs.154.06 lakh
- h) The licensee claimed interest on normative loan amounting to Rs.30.08 lakh at an interest rate of 9.11% (weighted average rate of actual loan portfolio). The interest on consumer security deposits paid during the year is Rs.98.95 lakh.
- i) The licensee claimed Return on Net Fixed Assets amounting to Rs.48.96 lakh worked out at 3.00% on the NFA of Rs.1632.01 lakh at the beginning of 2020-21.

- j) The revenue earned from sale of power was Rs.4260.79 lakh and the Non-tariff income is Rs.94.04 lakh
  - k) Accordingly, the total Income towards Revenue from sale of power and Non-Tariff receipts for the year 2020-21 is Rs.4354.83 lakh and the total expenditure is Rs.4355.30 lakh. Thus, the licensee has claimed a revenue gap of Rs.0.47 lakh as against the revenue surplus of Rs.521.96 lakh approved in the ARR&ERC Order.
5. KSEB Limited, the power seller Licensee to Technopark, vide letter dated 30.01.2023 furnished the following counter statement/remarks on the truing up petition for the year 2020-21 filed by Technopark.
- a) To disallow the cost incurred for additional power procurement due to higher distribution loss.
  - b) To limit the O&M expenses within the norms specified as the O&M expense is 75.53% higher than the approved ARR norms.
  - c) To take a uniform approach regarding Section 3(1) duty as the same is claimed by Technopark.
  - d) The asset additions made during the year 2020-21 and the depreciation for the year may be allowed only after prudence check.
  - e) The interest and finance charges claimed for the year is higher than the amount approved in the Order on ARR& ERC and may be allowed only after prudence check.
  - f) RoNFA may be allowed only after verifying the details with regard to asset addition.
  - g) The power purchase cost in respect of Phase I, Phase II, Phase III and Phase IV Technocity tally with the records of KSEB Ltd whereas the power purchase cost of Phase V Kollam is not tallying with KSEB Ltd records.
6. The Commission vide letter dated 31.01.2023 sought the additional clarification on the petition and the licensee submitted the same vide their letter No: ETPK/FIN/KSERC/2023-24/529 dated 20.04.2023.

### **Analysis and decision of the Commission**

7. The Commission has carefully considered the petition for Truing Up of Accounts for the year 2020-21, the clarifications submitted by the licensee, the counter statements furnished by the KSEB Ltd and the views presented by the licensee during the hearing. The analysis and decisions of the Commission on the petition for truing up of accounts for the Financial Year 2020-21 are detailed below.

## Energy sales and consumer mix

8. The licensee has in the petition submitted area wise details of the number of consumers and sales. During 2020-21, there were a total of 857 consumers compared to 876 consumers in the previous year 2019-20. The total energy sales for the year are 505.43 lakh units against ARR&ERC approved 989.69 lakh units. During 2019-20, the actual sale for the year was 884.69 lakh units. There is a reduction of 42.87% in sales compared to the previous year sales. The energy sales and consumer mix for the year is tabulated below.

**Table-2**  
**Energy sales and consumer mix for 2020-21**

Particulars	Number of consumers	Units Sold (Lakhs Units)	% total Unit sold
LT – IV B IT/ITES below 10kW	223	8.54	3.33%
LT – IV B IT/ITES above 10kW up to 20kW	74	5.28	2.06%
LT – IV B IT/ITES above 20kW	250	217.77	84.88%
LT - VI (A) General	3	0.39	0.15%
LT VI (B) General	9	1.03	0.40%
LT VI ( c ) General (1ph or 3 ph)	34	2.32	0.91%
LT VI (F) General (1 ph)	42	0.78	0.30%
LT VII (A) Commercial (1-Ph)	50	0.30	0.12%
LT VI (F) General (3 ph)	44	11.97	4.67%
LT VII (A) Commercial (3-Ph)	60	1.71	0.67%
LT VII (B) Commercial	11	0.04	0.02%
LT IV A Industrial below 10 KW	6	0.13	0.05%
LT IV A Industrial above 10 KW below 20 KW	2	0.16	0.06%
LT IV A Industrial above 20 KW	6	2.68	1.04%
LT VI (G) General	1	0.04	0.02%
LT IX Display Lighting and Hording	2	0.04	0.01%
Self-Consumption	2	1.85	0.72%
Street Lighting	16	1.53	0.60%
<b>Sub Total (LT)</b>	<b>835</b>	<b>256.56</b>	100.00%
HT -I (B) IT & IT Services	17	238.31	95.75%
HT -II (A) General	2	6.91	2.78%
HT II B	2	0.22	
HT- IV Commercial	1	3.43	1.38%
<b>Sub Total (HT)</b>	<b>22</b>	<b>248.87</b>	100.00%
<b>Grand Total</b>	<b>857</b>	<b>505.43</b>	

9. Being an IT park, major sale is to LT IV B and HT I B category of consumers. It is seen that there is reduction in the sales compared to the previous year. The licensee has stated that the reduction in sales was due to lock down imposed by Government and non-operation of companies due to the impact of COVID 19 pandemic.
10. After analyzing the details and duly considering the impact of COVID 19 and the change in the consumption pattern, ***the Commission hereby approves***

***the actual energy sales of 505.43 lakh units as claimed in the petition for Truing Up of Accounts for the year 2020-21.***

### **Energy Requirement and Distribution loss**

11. As per the petition, the total energy input is 522.62 lakh units, which is inclusive of energy purchased from KSEB Ltd totalling 518.55 lakh units and 4.07 lakh units from the solar plant. The actual distribution loss for the year is 3.29% as against the distribution loss of 1.46% approved by the Commission in the Order on ARR&ERC. The details of the distribution loss as per the petition are as shown below.

**Table 3  
Distribution loss for the period 2019-20 and 2020-21**

	Particulars	2019-20		2020-21	
		As per Truing Up Petition	Trued Up	ARR Approved	As per Truing Up Petition
1	Energy sales (lakh units)	884.69	884.69	989.69	505.43
2	Energy Requirement (lakh units)	910.16	902.93	1004.30	522.62
3	Distribution loss (lakh units)	25.47	18.24	14.62	17.19
4	Distribution loss (%)	<b>2.80%</b>	<b>2.02%</b>	<b>1.46%</b>	<b>3.29%</b>

12. The phase wise distribution loss for the year 2019-20 and 2020-21 is tabulated below.

**Table 4  
Phase wise Distribution loss for the period 2019-20**

SI No.	Particulars	Solar Generation	Energy purchase	Energy Sales	Distribution Loss	Distribution Loss
		lakh units	lakh units	lakh units	lakh units	Percentage
1	Phase -1	0.157	611.07	593.21	18.02	2.95%
2	Phase - 2&3	4.174	288.84	286.32	6.70	2.29%
3	Phase-4 Technocity	0	0.44	0.10	0.34	77.27%
4	Phase-5 Kollam	0	5.47	5.06	0.41	7.50%
5	<b>Overall Loss</b>	<b>4.33</b>	<b>905.83</b>	<b>884.69</b>	<b>25.47</b>	<b>2.80%</b>

**Table 5  
Phase wise Distribution loss for the period 2020-21**

SI.No	Particulars	Solar Generation	Energy purchase	Energy Sales	Distribution Loss	Loss (%)
		lakh units	lakh units	lakh units	lakh units	
1	Phase -1	0.158	357.41	345.08	12.49	3.49%
2	Phase - 2&3	3.911	151.04	152.38	2.57	1.66%
3	Phase- 4 Technocity	0	5.84	4.12	1.72	29.45%
4	Phase- 5 Kollam	0	4.26	3.87	0.39	9.15%
5	<b>Overall Losses</b>	<b>4.07</b>	<b>518.55</b>	<b>505.44</b>	<b>17.17</b>	<b>3.29%</b>

13. In the petition, the licensee has stated that the losses are slightly higher than the approved figures because of the fact that the solar generation was not

considered in the ARR&ERC petition and this affected the actual loss figures. It is also stated that due to the impact of COVID 19 pandemic situation there was an abrupt reduction in power consumption. Hence most of the transformers in Technopark campuses have worked under-load condition and the proportion of fixed loss component has increased which has impacted the percentage loss figures to higher side. It was further stated that the high percentage losses in Phase-IV and Phase-V are effects of low customer load, which is beyond the control of the petitioner.

14. During the Public hearing, the Commission sought details regarding the method of accounting of own generation of solar power plants. The licensee vide email dated 20.06.2023 submitted that, grid-connected solar power plants are installed on the rooftops of various buildings on its campuses. The energy generated by these PV solar plants is injected into the common panels located in the Technopark Substations. The net meter was installed in the incomer of the common Panel for monitoring solar energy injected from the PV panel. And also, the unused solar power in the common panel is injected back into the common power grid. From the common panel, the power is supplied to common area loads such as AC units, lifts, etc. Since Technopark is being a power distribution Licensee these common area loads had considered as each consumer (Tariff as applicable) and have separate energy meters on this feeder (Common area load-like AC, Lift etc) for billing.
15. The Commission vide letter dated 31.01.2023 sought the clarification on the commercial decision regarding the viability of the distribution business in Technocity and licensee vide letter dated 20.04.2023 submitted that, the Technocity Campus was commissioned in January 2020. There was only one consumer during that period and demand was only 0.3 MVA. The customer base was not picked up in FY 2020-21. In the low consumer load scenario, it is obvious that the transformer no-load loss would become predominant in the loss calculations. In such a scenario, the absolute loss value may be considered for evaluating the losses and commercial decisions. The Power transformers in the Technocity substation have a total installed capacity of 41 MVA (1 no. of 110kV/33kV, 25 MVA, 1 no. of 110kV /11kV, 16 MVA and 1 no. of Aux. T/F 400 kVA 11kV/415V). The transformer loss calculation is as follows.

**Table 6**  
**Technocity Transformer loss details**

Sl. No	Transformer	No. Load loss (kW)	Full Load loss (kW)	No. of Hour working (Hr)	No. of Day Working	Total No Loss per Month (kWh)	Total full load Loss per Month (kWh)	Total Transformer Loss per Month (kWh)	Total transformer loss per Year (kWh)	Remarks
1	400 kVA 11kV/415V	1	3.53	24	30	720	2541.6	760	9117	kVA load-50kVA
2	110kV /11kV, 16MVA	12	64	24	30	8640	46080	8696	104357	kVA load-560kVA
3	110kV/33kV, 25MVA	14.5	99.5	12	2	348	2388	348	4176	No Load at Present
<b>Total</b>						<b>9708</b>	<b>51010</b>	<b>9804</b>	<b>117650</b>	
<b>TL=No load Loss+ (kVA load/Rated kVA)<sup>2</sup>*Full load loss</b>										

16. Therefore, the transformer losses would be 1.17 lakh units. The system losses in Technocity for 2020-21 were 1.72 lakh units and is comparable to the Transformer-load loss. The percentage loss would get reduced when the customer load picks up. At present, there are a total of 29 No. s of consumers (HT-2, LT-27) and now the demand has increased on account of the increase in consumer base. The campus is developing much faster and an increase in demand for 3 MVA within the next year is expected. Further, the proposal to draw power from KSEB Ltd at a lower voltage (11 kV) will result in higher losses than drawing power at 110 kV. The losses in power transmission follow the inverse square law. Therefore, drawing the same power at 11 kV instead of 110 kV would result in losses 100 times higher than the present line loss.  $1 / (11 \text{ kV} / 110 \text{ kV})^2 = 100$ . Moreover, the transformers at Technocity premises cannot be switched off to prevent moisture ingress, etc. Technopark will have to bear the transformer no-load loss also. Therefore, Technopark proposes to continue with the present supply arrangement till the customer base and demand increase since there is no technical or commercial advantage in the alternate option.
17. In Truing Up Order dated 16.02.2022, the Commission directed the licensee to quantify the benefits, loss reduction etc achieved through energy audit in the next truing up petition. The licensee vide letter dated 20.04.2023 submitted the details of actions taken and action to be taken based on the energy audit. The details submitted by the licensee are given below.



### **Action Taken**

- (a) Directing the consumers for installing APFC and harmonic filters in their systems for improving the quality.
- (b) Regular inspection and maintenance of the connections, isolators, drop-out fuses, LT switches, transformers, transformer bushing-stem, and other distribution equipment.
- (c) Daily monitoring of the distribution losses for each campus of Technopark.
- (d) Conducting regular and periodical Preventive maintenance of transformers, metering panels, LBSs, VCBs, relays, and filtration of oil transformers and OCBs as per standards.
- (e) Installation of high-accuracy metering equipment for power connections as per CEA regulation.
- (f) Use of energy-efficient lighting systems like LEDs, Occupancy sensors, etc.

### **Action to be Taken**

- (a) Total revamping of the internal power distribution in Technopark Phase-I Campus. The approximate cable length of the HT cable in the Technopark Phase-I campus power distribution system is 5 km. This cable is more than 15 years old and the number of joints being high due to the frequent faults. Most of the joints are not identifiable because these cables were laid during the inception of Technopark. The partial discharge and I<sup>2</sup>R losses are comparatively high. To reduce the cable loss and improve the reliability of the power supply, we are planning to replace the old cables with new HT cables and also installation of RMUs.
  - (b) The replacement of tape wounded CTs with cast resin CTs to improve the accuracy of the metering system.
  - (c) Replacement of the low-accuracy meters with new high-accuracy meters as per the latest CEA regulation.
  - (d) Installation of a smart and efficient lighting system for the building/Street lighting.
18. The Commission examined the submission of the licensee and observed that, licensee has installed its first solar power plant in the Technopark Phase-III campus in FY 2018-19. Before that, the total distribution losses were 2.02% (2017-18). In the ARR&ERC petition (2018-2022), the generation from the newly commissioned solar power plants within the Technopark campuses was not considered for calculating the approved distribution loss in ARR&ERC

Order dated 24-03-2020. This error was detected by the licensee and reported to the Commission through the petition for Truing-up of accounts for the year 2018-19.

19. The Commission while truing up the accounts for the year 2019-20 had viewed that there is no chance of incurring 2.95% and 2.29% loss in Phase 1 and Phase II & III in 2019-20; if losses incurred is so high, there is chance of leakage in the underground cables. It is pertinent to note that the distribution loss for Phase I during 2020-21 has increased to 3.49% compared to 2.95% in the previous year. The Commission vide Order on truing up of accounts for the year 2019-20 dated 16.02.2022 had stated that, all energy audit recommendation-based actions claimed to have been taken by the licensee have failed especially in the case of Phase 1.
20. The licensee observed that HT cable in the Technopark Phase-I campus is due for replacing due to the age over 15 years. As per Tariff Regulations, 2018, the useful life of the assets as determined by the Commission is 35 years. If the licensee requires any replacement or assets addition, the licensee shall obtain prior approval from the Commission, with proper cost benefit analysis and justification.
21. As per the details furnished by the licensee, the distribution loss for the year is higher than the approved loss level. As per Regulation 12 of the Tariff Regulations, 2018, distribution loss is a controllable factor and Regulation 72(4) specifies the mechanism for sharing the gains or losses on account of distribution loss.

*“72 (4). Any variation between the actual level of distribution losses and the approved level of distribution losses shall be dealt with, as part of the truing up of the respective financial year in the control period, in the following manner: -*

*(a) If the actual distribution loss is higher than the approved level of distribution loss for any particular financial year of the control period, then the quantum of power purchased corresponding to the excess distribution loss for that financial year, shall be disallowed at the average cost of power purchase for the respective financial year;*

*(b) If the actual distribution loss is lower than the approved level of distribution loss for any particular financial year of the control period, then the savings in power purchase cost corresponding to the difference in distribution loss for that financial year at the average cost of power purchase for the respective financial year, shall be shared between the distribution business/licensee and the consumers in the ratio 2:1.”*

22. The Commission views that the claim of the licensee that the loss reduction target of 1.46% could not be achieved by the licensee due to nation-wide lock down and subsequent restrictions imposed in the State for combatting Covid-19 Pandemic has some force. In this connection, the Commission also notes that, the Ministry of Finance, Government of India vide office memorandum dated 13.05.2020 imposed restrictions on the movement of goods, services and manpower on account of the Covid-19' which has to be considered as Force Majeure'. Considering the COVID 19 pandemic, ***the Commission hereby approves distribution loss of 2.02% for the year 2020-21, same as that allowed in previous year Truing Up Order and directs that the licensee to take appropriate action to maintain the distribution loss at the approved level.***
23. As per the provisions of the Tariff Regulations, distribution loss is a controllable performance parameter. As per regulation 72(4) of the Tariff Regulations, 2018, if actual distribution loss is higher than the approved level, the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average power purchase cost. Hence, the Commission decides to retain the approved distribution loss of 2.02% for the purpose of truing up of accounts for 2020-21 also. Accordingly, based on the approved distribution loss, the energy requirement for the year 2020-21 is tabulated below.

**Table 7  
Approved Distribution Loss**

	Particulars	ARR Approved	As per Truing Up Petition	Trued Up
A	Energy sales (lakh units)	989.69	505.44	505.44
B	Distribution loss (%)	1.46%	3.29%	2.02%
C	Distribution loss (in lakh units) $[A/(100-B) * B]$	14.62	17.17	10.42
D	Total Energy Requirement (lakh units)	1004.30	522.62	515.86
E	Energy generated from Solar	-	4.07	4.07
F	Energy Required from KSEB Ltd (lakh units)	1004.30	518.55	511.79
<b>Excess Distribution Loss in lakh units (518.55-511.79)</b>				<b>6.76</b>

### **Power Purchase Cost**

24. As per the petition, the total energy required for serving the consumers was 522.62 lakh units for the year 2020-21. The licensee generated about 4.07 lakh units of electricity from the four rooftop solar plants with total capacity of 285 kW. The balance requirement of 518.55 lakh units was met from the energy purchased from the State Electricity Utility, KSEB Ltd at a total cost of Rs.3511.93 lakh. The split up of power purchase cost is tabulated below.

**Table 8**  
**Phase wise power purchase cost for the period 2020-21**

<b>Campus</b>	<b>Maximum demand</b>	<b>Energy Received (lakh units)</b>	<b>Fixed charges (Rs lakh)</b>	<b>Variable charges (Rs lakh)</b>	<b>Incentive (Rs. lakh)</b>	<b>Other charges (Rs. lakh)</b>	<b>Total charges (Rs. lakh)</b>
Phase-1	1,35,000	357.41	459.00	1,965.74	-	-	2,424.74
Phase -2&3	45,000	151.04	153.00	830.73	-	0.21	983.94
Phase -4 Technocity	9,000	5.84	30.60	32.11	-	3.49	66.20
Phase -5 Kollam (2)	3,600	4.26	11.48	26.13	(0.32)	(0.25)	37.04
<b>Total</b>	<b>1,92,600</b>	<b>518.55</b>	<b>654.08</b>	<b>2,854.72</b>	<b>(0.32)</b>	<b>3.45</b>	<b>3,511.93</b>
<b>Average Power Purchase Cost (Rs/per unit)</b>							<b>6.77</b>

25. The above Table shows that, the power purchase cost of Rs.3511.93 lakh (for 518.55 lakh units) as claimed by the licensee is lower compared to the approved power purchase cost of Rs.6460.64 lakh (for 1004.30 lakh units) in ARR&ERC Order for the year 2020-21. The average per unit cost of power purchase, thus, was Rs.6.77/unit for FY 2020-21. The trued-up power purchase cost was Rs.5718.34 lakh for the year 2019-20.
26. Regarding the incentive amount of Rs.-0.32 lakh booked under power purchase cost the licensee submitted that, it is the power factor incentive received from KSEBL in respect of supply taken at the Kollam Campus.
27. As mentioned in Para 21 above, as per the provisions of clause 72(4) of the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018, the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average cost of power purchase. **Accordingly, based on the approved distribution loss of 2.02%, the power purchase cost approved for the year 2020-21, worked out to Rs.3466.17 lakh, as shown below;**

**Table 9**  
**Approved power purchase cost 2020-21**

1	Actual Energy Purchased (lakh units)	3.29%	518.55
2	Energy Required at approved distribution loss (lakh units)	2.02%	511.79
3	Excess distribution loss (lakh units) (1-2)		6.76
4	Average Power Purchase Cost (Rs. per unit)		6.77
5	Excess power purchase cost to be disallowed (Rs. lakh) (4) * (3)		45.76
6	Actual Power purchase cost (Rs. lakh)		3511.93
7	Approved Power purchase cost (Rs. lakh) (6-5)		3466.17

### **Prior Period Power Purchase Cost**

28. In 2019-20 Truing Up Order, the Commission has deferred an amount of Rs.6.18 lakh against 0.44 lakh units purchased for Technocity Campus due to non-payment. The Commission has sought the clarifications on the same and

licensee submitted that, the licensee received the final bill from KSEB Ltd amounting to Rs.9.70 lakh pertaining to 2019-20 (January to March 2020) towards Technocity arrear billing owing to difference in meter reading. Since this bill is raised during the FY 2020-21 and the payment was also made during 2020-21, this is included in the Form D 4.3 as it is a prior period expenditure. If this is included in the current year i.e., in the Form D 3.1, the overall power purchase cost will not tally with the KSEB Ltd amount. The details of prior period expense of power purchase is given below.

**Table 10  
Prior Period Power Purchase cost**

Bill No.	Amount (in Rs)	Remarks
1102811810101 dt.03.08.2020	9,70,506	January to March 2020

29. ***After considering the details submitted by the licensee, the Commission hereby approves the amount of Rs.9.71 lakh as Prior period power purchase cost for the year 2019-20.***

#### **Operation & Maintenance Expenses**

30. Operation and Maintenance expenses are controllable expenses which include Employee cost, Repair & Maintenance expenses and Administrative & General expenses. The Operation and Maintenance expenditure claimed for the year 2020-21 is higher than the norms approved in the Tariff Regulations, 2018. The Commission while approving the norms in the Tariff Regulations, 2018 had approved the Operation and Maintenance expense of Rs.291.36 lakh for 2020-21. The licensee in the petition has claimed total operation and maintenance expense of Rs.511.41 lakh. During the year 2019-20, the actual O&M claimed was Rs.664.92 lakh. The Commission had considered the submission and after prudence check had approved Rs.316.20 lakh as total O&M expense for 2019-20. A comparison of the expenses in 2019-20 and 2020-21 is tabulated below.

**Table 11  
O&M expenses for the period 2019-20 and 2020-21**

O&M Expenses	2019-20			2020-21	
	As per Regulation	As Per Truing Up Petition	Trued Up	As per Regulation	As per Truing Up Petition
	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)
Employee expenses	31.43	39.15	39.15	32.95	45.85
R&M expenses	191.72	479.98	281.82	201.00	376.29
A&G expenses	54.76	145.79	55.64	57.41	89.27
<b>Total</b>	<b>277.91</b>	<b>664.92</b>	<b>376.61</b>	<b>291.36</b>	<b>511.41</b>

31. As per the details submitted in the petition, it is seen that the employee cost claimed is higher than the previous year, whereas the Administrative and

General Expenses and Repair and Maintenance for the year is lower than the previous year. The Commission has analysed each of the components submitted by the licensee. The details are given below.

### Employee cost

32. The licensee has claimed Rs.45.85 lakh against the approved amount of Rs.32.95 lakh as Employee Cost for carrying out the distribution business. The major items booked under Employee Cost are Consolidated pay, salaries, dearness allowances, HRA, other allowance etc. The employee cost applicable to distribution business is worked out on apportionment basis. The ratio for apportionment and the employee cost for the years 2019-20 and 2020-21 is tabulated below.

**Table 12**  
**Employee wise Cost for the period 2019-20 and 2020-21**

No	Designation	Posts	Ratio	2019-20		2020-21	
				Gross Salary (Rs. In lakh)	Apportioned (Rs. lakh)	Gross Salary (Rs. In lakh)	Apportioned (Rs. lakh)
1	Chief Executive Officer	1	10%	-	-	29.16	2.92
2	Chief Finance Officer	1	20%	18.72	3.74	19.68	3.94
3	DGM (Projects)	1	25%	17.70	4.43	19.22	4.81
4	Deputy Manager (Electrical)	1	100%	7.66	7.66	10.08	10.08
5	Asst. Manager Finance	1	20%	10.68	2.75	15.73	3.15
6	Jr. Finance Officer	1	20%	6.93	1.73	8.49	1.70
7	Sr. Executive Finance	1	75%	3.79	2.84	3.87	2.91
8	Apprentice Trainee	1	50%	1.20	0.60	2.16	1.08
9	Jr. Electrical Engineer	1	100%	1.76	1.76	1.92	1.92
10	Supervisors/Meter reader	4	75%	14.56	10.92	16.72	12.54
11	Civil Engineer	1	25%	3.30	0.83	3.30	0.83
	<b>Total</b>			<b>92.99</b>	<b>39.15</b>	<b>130.34</b>	<b>45.85</b>

33. The split up of the employee expenses claimed as per form D 3.4(a) for the years 2019-20 and 2020-21 is shown below.

**Table-13**  
**Employee cost for the years 2019-20 and 2020-21 (Rs. lakh)**

Particulars	2019-20	2020-21
	Trued up	Truing Up claim
Basic Salary	14.78	14.47
Dearness Allowance (DA)	2.96	3.07
House Rent Allowance	0.53	0.52
Other Allowances ( CCA)	0.09	0.09
Personal Pay	0.10	0.16
Arrears	-	1.41
Consolidated Pay	20.69	26.13
Staff welfare expenses	-	-
<b>Grand Total</b>	<b>39.15</b>	<b>45.85</b>

34. The licensee in the petition has stated that the Employee Cost includes only the salary and benefits paid to the permanent employees of Technopark directly involved in the distribution business activity. As per the licensee, the ratio for apportioning the cost is the same as that has been approved by Commission in Truing up order for the previous year. The licensee submitted that there is only one permanent employee, Deputy Manager (Electrical), who is full time employed and directly managing the business of electricity distribution. The remuneration of Chief Finance Officer, Senior Executive Finance, Supervisors, Junior Electrical Engineer, Civil Engineer and the apprentice are consolidated payments and is shown as 'consolidated pay'. The licensee further submits that the Junior Engineer, working full time in the department is temporally hired.
35. Compared to the previous year, the increase in the employee cost is due to annual salary increase and increase of DA. For the year 2020-21, the licensee has also claimed an amount of Rs.1.41 lakh as arrears which is the DA arrear paid to the employees as per GO(P) No.25/2021/FIN dated 08.02.2021.
36. The Commission in the Tariff Regulations, 2018 has approved an amount of Rs.32.95 lakh for the year 2020-21 considering an escalation rate of 4.84%. The actual expense claimed for 2020-21 is significantly high compared to the norms approved in Tariff Regulations, 2018. Considering the fact that, while framing the Regulations, 2018 the trued up figures of 2014-15 only was available and the new license area of Technocity was commissioned in January, 2020, the Commission hereby approves the employee cost allowed in the previous year, i.e., Rs.39.15 lakh with an escalation rate of 4.84% for the year 2020-21. **Accordingly, an amount of Rs.41.04 lakh (considering the escalation rate to the previous year trued up amount of Rs.39.15 lakh) is approved for the year 2020-21.**

### **Administration and General Expenses**

37. The A&G expenses claimed by the licensee as per the petition is Rs.89.27 lakh for the year as against the norm of Rs.57.41 lakh for the year 2020-21 as per Regulations. The major expenses booked under A&G expense are towards conveyance charges, electricity charges, security arrangements, Electricity Duty under Section 3 of the Kerala Electricity Duty Act, 1963 and license fee and other related fees. A comparison of the actual claim in 2020-21 as against the previous year is shown below.

**Table 14**  
**A&G Cost for the period 2019-20 and 2020-21**

S. No.	Particulars	2019-20 Truing Up claim (Rs. lakh)	2019-20 Trued Up (Rs. lakh)	2020-21 Truing Up claim (Rs. lakh)
1	Insurance	1.64	1.64	3.44
2	Telephone & Postage, etc.	0.42	0.42	0.40
3	Audit Fees	0.30	0.30	0.33
4	Conveyance Charges (Hired Vehicle for Distribution Business)	6.16	6.16	5.93
5	Electricity charges	9.39	9.39	8.91
6	Professional & Consultancy Charges	24.83	24.83	1.60
7	Bank Charges	0.13	0.13	1.84
8	Petition and other Fees to KSERC / KSEB	3.11	3.11	3.66
9	License Fee and related fee to KSERC	2.18	2.18	2.11
10	Security arrangements (1 person night duty per station)	37.66	0.00	10.64
11	Others Fees (To Electrical Inspectorate and KSEB Ltd)	7.48	7.48	17.86
12	Subscription to Institution	0.00	0.00	0.59
13	Staff Training Expense	0.00	0.00	0.05
14	Allowance for Doubtful debts	0.00	0.00	2.27
14	Gross A&G Expenses	<b>93.30</b>	<b>55.64</b>	<b>59.63</b>
15	Ele. Duty u/s 3(I), KED Act	52.49	0.00	29.64
16	Less: Expenses Capitalised	0.00	0.00	0.00
17	Net A&G Expenses	<b>145.79</b>	<b>55.64</b>	<b>89.27</b>

38. There is an overall decrease in the A&G expense compared to the previous year. Some of the major expenses claimed are Fees to the Kerala State Electrical Inspectorate for periodical inspection (Rs.17.86 lakh), the expense towards conveyance charges (Rs.5.93 lakh) for vehicle hired exclusively for the purpose of distribution business and is used for travelling regularly to different locations within Campuses and between campuses.
39. The licensee has claimed an amount of Rs.8.91 lakh as electricity charges. The licensee has stated that the office functions of the Electricity Distribution Business and other business activities of the Techno park is carried out from the Head Office Building called "Park Centre". Electricity used for the administration offices are measured using separate meters. Forty Percent (40%) of electricity charges for administrative offices are apportioned to the Distribution business activity. This is the same proportion taken in truing up petitions of previous years. Balance 60% is apportioned to main business activity and that amount will be a sale of power revenue for the distribution business.



40. It is noted that during 2019-20 the expense towards security arrangement was Rs.37.66 lakh, whereas during 2020-21, the claim has reduced to Rs.10.64 lakh. Commission while issuing the orders on the truing up of accounts for the previous years had not approved any expense towards security arrangements. Commission in the Order on truing up of accounts for the year 2019-20 had directed the licensee to furnish complete details of the number of such security staff, their wages, full justification for their deployment etc. The licensee has not furnished any details in this regard whereas, the licensee has stated that they have already redeployed Security staff employed in the distribution business substations and establishments and has retained only three staff in two 110kV substations at Phase III & Technocity campus. The total expense incurred for this comes to Rs.21.03 lakhs. The amount payable for Security arrangement is Rs.24,750 per month for one security guard. The total cost of security guards for the two 110 kV substations was Rs.24,750 x 3 guards x 2 substations x 12 months = Rs.17,82,000/- plus GST @ 18% comes to Rs.21,02,760/-. The licensee has claimed only Rs.10.64 lakh which was the amount approved by the Commission while truing up the accounts for the year 2018-19.
41. The Commission in the petition noted that the Insurance charges claimed have increased by 110%. The licensee clarified that they had capitalized an amount of Rs.1986.98 lakh during the year 2020-21 for electricity business which had resulted in an increase in insurance charges. With regard to increase in bank charges, the licensee stated that State Bank of India do normally charge commission on renewal of Bank Guarantee. However, based on the request from Technopark the same has been waived up to 2019-20. But during the period 2020-21, request for the waiver of commission on renewal of the Bank Guarantee was denied by the bank which has been the reason for increase in bank charges.
42. The licensee had also claimed an amount of Rs.2.26 lakh as allowance for doubtful debts. Commission had sought details of the claim. Vide clarifications the licensee submitted that they may be permitted to withdraw the claim.
43. The licensee has booked Rs.29.64 lakh towards Electricity Duty for the year 2020-21. The Commission in the previous Orders had stated that duty under Section 3 cannot be passed on to the consumers in view of the statutory provisions of the Kerala Electricity Duty Act, 1963. **Hence the same is disallowed.**
44. **Accordingly, after duly considering the norm of Rs.57.41 lakh as per Regulations, the claims made by the licensee, the clarifications and details submitted, the Commission hereby approves the amount of**

**Rs.57.35 lakh (59.62-2.27) as A&G expenses for the year 2020-21 without considering the amount of Rs.2.27 lakh being allowance for doubtful debts.**

### **Repair and Maintenance Charge**

45. The R&M expense claimed by the licensee for the year 2020-21 is Rs.376.29 lakh as against the approved amount of Rs.201.00 lakh in Tariff Regulations, 2018. The licensee has stated that costs in the Regulation doesn't reflect reality and there is a substantial gap between the actual R&M expenses incurred and the ARR approved cost of Rs.201.00 lakhs. Compared to the year 2019-20, It is seen that there is a decrease of 8.25%. The actual R&M expense for the year 2019-20 was Rs.479.98 lakh. There is a decrease in the R&M Cost for Phase I to the tune of Rs.103.69 lakh compared to previous year. The licensee has stated that it is mainly due to the reduction in the O&M employees engaged. A comparison of the R&M for the year 2019-20 and 2020-21 is tabulated below.

**Table 15  
R&M Charges for the period 2019-20 and 2020-21**

No.	Particulars	2019-20		2020-21
		Truing Up claim (Rs. lakh)	Trued Up (Rs. lakh)	Truing Up claim (Rs. lakh)
1	Phase-1 (Plant & Mach Only)	360.18	162.59	256.80
2	Phase 2 & 3 (Plant & Mach Only)	82.72	84.17	83.90
3	Phase -5 Kollam (Plant & Mach Only)	31.68	29.68	31.95
4	Material and Spares Purchased	5.39	5.39	3.65
4	Gross R&M Expenses	479.98	281.82	376.29
5	Less: Expenses Capitalised	0.00	-	0.00
6	Net R&M Expenses	<b>479.98</b>	<b>281.82</b>	<b>376.29</b>

46. The licensee in the petition has stated that the operation, maintenance and repairs of the distribution system in Technopark license area is carried out by licensed electrical contractors. The contract is awarded after a due transparent process of competitive tendering as per the existing rules and government directions. The tenders for R&M works are invariably invited through the government e-tendering portal. Thus, it is ensured that contract amount discovered is the lowest possible price and that there is little scope for reducing these costs. The licensee has submitted the phase wise split up of R&M cost for the period 2020-21 which is shown below.

**Table 16**  
**Phase wise split up of R&M for the period 2020-21**

<b>Campus</b>	<b>Contractor</b>	<b>Mode of contract</b>	<b>From</b>	<b>To</b>	<b>Contract Value (Rs)</b>
Phase-I Kazhakuttam	Sterling & Wilson Pvt. Ltd	extension	01-04-2020	30-06-2020	84,84,204/-
Phase-I Kazhakuttam	Fathima Engineering Company Pvt Ltd	e-Tender	01-07-2020	30-06-2023	7,93,16,774/-
Phase III Ganga Yamuna IT Building	AEGIS Power Engineers	e-Tender	01-01-2019	31-12-2021	1,29,63,240/-
Phase III 110 kV Substation	Sterling & Wilson Pvt. Ltd	extension	01-03-2020	30-08-2020	22,42,422/-
Phase III & Phase-IV 110kV Substation	Fathima Engineering Company Pvt Ltd	e-Tender	01-09-2020	31-08-2021	50,00,000/-
Phase V Campus - Kollam	AEGIS Power Engineers	e-Tender	01-06-2019	31-05-2020	32,27,195/-
Phase V Campus - Kollam	AEGIS Power Engineers	extension	01-06-2020	31-05-2021	32,27,195/-

47. The licensee further stated in their petition that, the methodology adopted by the Commission for specifying the normative O&M costs for the Distribution licensees other than KSEB is arrived at based on the actual/approved expenses in the previous control period and by applying escalation factor. The licensee further stated that application of average escalation factors for arriving at the cost in the Regulation does not reflect the reality and broadens the gap between the real and approved costs. The licensee requested the Commission to consider the fact that the R&M contracts were awarded after a fair and transparent process of on-line tendering where there were a fair number of competitive bids for the contract and that there is little scope for the reducing these costs. There is no way to compensate for the substantial gap between the actual R&M cost genuinely incurred and that allowed in the ARR. The licensee also stated that the Commission may please note that this difference in cost does not in any way reflect any defect or inefficiency on the part of the petitioner. The cost incurred is the lowest discovered through transparent bidding. The petitioner is legally bound to claim the contracted amount that was discovered through transparent bidding process. The licensee also requested the Commission to allow them to meet the actual expenses in this respect.

48. ***The Commission examined the arguments of the licensee and noted the facts that trued up figures upto 2014-15 was only available at the time of fixing the norms as per Regulations, 2018 and the licensee has commissioned the new licence area at Technocity in January 2020. Therefore, the Commission hereby directs the licensee to submit the***

**phase wise details regarding R&M expenditure for the respective years which are considered for arriving at the norms in Tariff Regulations, 2018 within 3 months of this Order and the Commission will take a final decision while considering the next Truing Up petition. The following details for each phase from the years 2015-16 to 2020-21 to evaluate the claim regarding R&M (Repair and Maintenance) Expenses:**

- a. **Number of consumers**
- b. **Number of distribution transformers and its capacity**
- c. **Length of HT Line**
- d. **Energy sales units**
- e. **No. of Bays**
- f. **Gross Fixed Assets (GFA) at the beginning of the year, excluding the value of land. Please include the following details:**
  - i. **Total assets of the licensee**
  - ii. **Assets created out of grants and consumer contribution**
  - iii. **Assets approved by the Commission**
  - iv. **Assets disallowed by the Commission, including year-wise details**
- g. **R&M Contract value for each phase, providing details of assets considered for R&M Contracts (including segregation of R&M expenses incurred for distribution assets and other park assets of Technopark).**
- h. **Any other information related to R&M expenses may also be furnished.**

49. Considering the above, the Commission here also adopts the same methodology as in the the Truing Up Order of 2019-20. Considering the escalation rate of 4.84% over the approved R&M expense for 2019-20, **the Repair and Maintenance expenses provisionally approved for the year 2020-21 is as shown below.**

**Table 17  
R&M Charges Approved for the period 2020-21 (Rs. lakh)**

No.	Particulars	2019-20	2020-21	
		Trued Up	Truing Up claim	Trued Up
1	Phase-1 (Plant & Mach Only)	162.59	256.80	170.46
2	Phase 2 & 3 (Plant & Mach Only)	84.17	83.90	88.24
3	Phase -5 Kollam (Plant & Mach Only)	29.68	31.95	31.12
4	Material and Spares Purchased	5.39	3.65	3.65
4	Gross R&M Expenses	281.82	376.29	293.47
5	Less: Expenses Capitalised	0.00	0.00	0.00
6	Net R&M Expenses	<b>281.82</b>	<b>376.29</b>	<b>293.47</b>

## Summary of O&M Expenses approved for 2020-21

50. The summary of O&M expenses approved by the Commission for the year 2020- 21 is shown below: -

**Table 18**  
**O&M expenses for the period 2019-20 and 2020-21**

O&M Expenses	2020-21		
	As per Regulation	As per Truing Up Petition	Trued Up
	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)
Employee expenses	32.95	45.85	41.04
R&M expenses	201.00	376.29	293.47
A&G expenses	57.41	89.27	57.35
<b>Total</b>	<b>291.36</b>	<b>511.41</b>	<b>391.86</b>

## Assets Addition

51. During the year 2020-21, the licensee has capitalised fixed assets worth Rs.1986.98 lakh. The Assets were created out of grants (Rs.1,663.14 lakh) and from own fund (Rs 323.84 lakh), the details are shown in the table below.

**Table 19**  
**Assets Additions during the year 2020-21 (Rs Lakh)**

No	Items Capitalised	Grants	Own fund
1	160 KVA Outdoor Substation Phase III		1.32
2	Solar Power Plant Phase III		5.75
3	Billing software		1.41
4	Air Insulated Substation – Technocity (110 kV)	1663.14	32.21
5	Electrical Substation – Technocity (11 kV)		279.42
6	Power Distribution System - Technocity		3.73
7	<b>Total</b>	<b>1663.14</b>	<b>323.84</b>
8	<b>Total Assets Additions during the year 2020-21</b>	<b>1986.98</b>	

52. As per the petition, major investments made in the year was for creation of the 110 kV digital Substation and distribution network at Technocity which was commissioned in January 2020. The 160 KVA outdoor substation in Phase III campus was also installed during the year. The final bill for the 200 kWp Grid connected Solar Power Plant at Ganga and Yamuna Building (Phase III Campus) was paid during the year which was commissioned during the previous year. The Existing billing software was modified to include the consumers in Kollam and Technocity Campuses and for additional facilities in the software for generation of monthly summary tables and graphs for billing, Entry of power purchase bills from KSEB Ltd, Solar Bill Generation, and Generation of other various reports required for preparing the submissions before the Commission.

53. The Commission sought clarifications as to whether asset additions are made with the prior approval of the Commission and directed the licensee to furnish details regarding justification, the economy in purchase, approval of the Board, payment details, date of commercial operation, etc. The licensee vide letter dated 25.04.2023 submitted the following details.

**Table 20**  
**Assets Additions details during the year 2020-21**

Items Capitalised	Grants (Rs Lakh)	Own fund (Rs Lakh)	Remarks
160 KVA Outdoor Substation Phase III		1.32	Since the cost for the work is less than 5 Lakhs this does not need prior approval as per the regulation.
Billing software		1.41	
Power Distribution System - Technocity		3.73	
Solar Power Plant Phase III		5.75	Approved vide order in OP 16/2020 dated 04.09.2020
Air Insulated Substation – Technocity (110 kV)	1663.14	32.21	Approved vide Order in OP 12/2017 dated 13.11.2019
<u>Electrical Substation – Technocity (11 kV)</u>			Had not obtained separate approval as the same was site development work and associated work to Air Insulated substation in Technocity work
a. 11kV USS for Technocity		51.03	
b. Site Development for 110kV Substation, Technocity		228.37	
<b>Total</b>	<b>1663.14</b>	<b>323.84</b>	

54. The Commission analysed each contention of the licensee and observed that in the Order on approval of capital expenditure dated 13.11.2019 (OP 12/2017) and dated 04.09.2020 (OP 16/2020), the Commission had given the approval for an amount of Rs.1579.90 lakh for the Construction of 110kV Air Insulated Substation for Technocity and Rs.114.93 lakh for the supply and installation of 200 KV Grid connected Solar Power Plant. The Asset additions were approved by the Commission stating that, the source of fund for both the assets commissioned was Government grant and subject to the condition that, 'depreciation, return on equity and interest on loan' shall not be claimed for this investment. It is also mentioned that, the petitioner shall submit actual cost and other details including tax invoices and other documents at the time of truing up. The Commission shall not allow depreciation, interest on loans and return on equity on the assets created with Government grant. However, the licensee has claimed Rs.1695.35 lakh (Rs.1663.14 lakh from Govt. Grant and Rs.32.21 lakh from Own Fund) for Air Insulated Substation – Technocity (110 kV) and Rs.5.75 lakh for Solar Power Plant Phase III, Rs.51.03 lakh for 11kV USS for Technocity and Rs.228.37 lakh for Site Development for 110kV Substation, Technocity. It is seen that the total amount claimed by the licensee is higher

than the amount approved by the Commission. The licensee stated that, the licensee had not obtained separate approval as the same was site development work and associated work to Air Insulated substation in Technocity work. The licensee further stated that, the remaining assets are below Rs.5.00 lakh, this does not need prior approval as per the regulation.

55. The Commission is not in a position to approve the above capital expenditure without proper documents to substantiate the investment. The licensee has not submitted any proper documents to the Commission for prudence check and approval of assets additions during the year 2020-21. Regulations 22 to 27 of the Tariff Regulations, 2018 provide for the procedure to be followed for addition of assets and claiming of depreciation. As per Regulation 22 (3), the capital cost approved by the Commission after prudence check shall form the basis for determination of tariff. Unless the approval is obtained, it is not eligible to be part of GFA.
56. The Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2020 prescribes the 'Guidelines for in principle clearance of investment scheme'. The relevant portion of Regulations is stated below.

*“C. Submission of Detailed Project Reports: The distribution licensees shall submit separate capital investment schemes with Detailed Project Reports for the approval of the Commission, if the capital investment of each of the schemes exceeds the limits specified below against the licensees concerned.*

*(i) KSEB Ltd. Rs. 10 Crore*

*(ii) KDHPCL, TCED and CPT Rs 25 lakh*

*(iii) Other distribution licenses Rs 15 lakh*

.....

*Provided further that the works undertaken by the licensee within the financial limits as mentioned above and without getting prior approval of the Commission shall be approved in the truing up of accounts after conducting their prudence check by the Commission.”*

57. The Regulations clearly states that, the licensee should submit supporting documents and justification for the assets additions at the time of Truing Up of Accounts to enable the Commission to conduct prudence check of the investment. In their Truing Up petition 2020-21, the licensee has not submitted any detailed justification or documents to substantiate their claims. Therefore, the Commission is not in a position to accord in- principle sanction for the

proposed capital investment without proper documents to substantiate the investment. **The licensee is directed to submit the justification and documents before the Commission within three months from the date of this Order. The asset addition will be considered for approval after prudence check while the Truing Up of accounts for the year 2021-22.**

58. Due to the above reasons, the Commission is not in a position to consider the amount of Rs.323.84 lakh claimed for capital additions made during the year 2020-21. **Hence, the Commission approves depreciation, interest on normative loan and RoNFA only for the asset additions made up to 2019-20.**

### Depreciation

59. The depreciation claimed by the licensee in the petition for truing up for the year 2020-21 is Rs.154.06 lakh as against Rs.131.54 lakh approved in the Order on ARR&ERC. The licensee has stated that depreciation is calculated based on the Regulation 27 of the Tariff Regulation 2018, using straight line method at the specified rate till 12 years and at equal value till 10% salvage value is reached at the end of useful life. The details of claim made by the licensee is shown below:

**Table 21  
Depreciation claimed during the year 2020-21**

Item	Opening	Additions	Closing
GFA (created from grants etc)	162.51	1663.14	1825.65
GFA (created from own fund)	3427.20	323.84	3751.04
Total (Rs. lakh)	3589.71	1986.98	5576.69
Depreciation (Rs. lakh)	1795.20	186.27	1981.47

60. The licensee stated that, no depreciation is claimed for the assets created out Government grants and consumer contributions. The detailed split up of depreciation claimed for the year 2020-21 is tabulated below.

**Table-22  
Depreciation claimed for 2020-21**

Asset categories	GFA as on 1/4/2020	Asset Addition during the Year	GFA as on 1/4/2021	Accumulated Depreciation as on 1/4/2020	Rate	Depreciation for 2020-21	Accumulated depreciation as on 31/3/2021	NFA at the end of the year
	Rs. lakh	Rs.lakh	Rs. lakh	Rs. lakh	%	Rs. lakh	Rs. lakh	Rs. lakh
Land & Rights								
Civil works	188.95		188.95	67.97	3.34%	6.31	74.28	114.67
Transmission lines	661.95		661.95	386.75	5.28%	34.95	421.70	240.25



Substations	2244.96	316.68	2561.64	1239.64	5.28%	126.89	1366.53	1195.11
11 kV works	154.78		154.78	60.21	5.28%	8.17	68.40	86.39
LT lines/ others*	73.65		73.65	18.98	5.28%	3.89	22.86	50.79
Metering equipment	6.94		6.94	2.58	5.28%	0.37	2.95	3.99
Electrical installations	91.11	5.75	96.86	18.96	5.28%	4.96	23.92	72.93
Softwares	4.86	1.41	6.26	0.03	6.33%	0.83	0.92	5.34
<b>Total</b>	<b>3427.20</b>	<b>323.84</b>	<b>3751.03</b>	<b>1795.12</b>		<b>186.38</b>	<b>1981.57</b>	<b>1769.47</b>
(Less) Assets created from Govt. grants /contributions	612.06		612.06		5.28%	(32.32)		
Depreciation for the year						<b>154.06</b>		

61. The Commission examined the submission in the petition and noted that, the licensee has not submitted the detailed justification to substantiate their claims for current year assets addition. ***Therefore, as mentioned in para 58 of this Order, the Commission hereby allows depreciation only for the asset additions made up to 2019-20.*** The depreciation, and other finance charges (Return on NFA and Interest on Normative Loan) for the assets added during the year will be considered after formal approval once the required details are furnished by the licensee.
62. ***Therefore, the Commission hereby provisionally approves Rs.142.60 lakh (the amount approved during the year 2019-20) as depreciation for the year 2020-21 for the asset additions up to 2019-20. The Commission also directs the licensee to submit the complete information on the Fixed Assets indicating therein, the Assets category, procurement date and cost, salvage value, useful life of assets, capitalisation date, completed years as on 01-04-2020, remaining life of the assets, depreciation claimed till date etc. with two category viz. (a) Assets below 12 years of age and (b) Assets with more than 12 years of age within a period of three months from the date of this Order for the determination of depreciation admissible as per Regulations 27.***

### **Interest and Finance Charges**

63. The interest and finance charges claimed by the licensee for the year 2020-21 amounts to Rs.128.93 lakh which includes interest on long term loans and interest on consumer security deposits. Compared to the previous year, there is

decrease in the interest and finance charges. The details of claim made by the licensee is shown below.

**Table 23**  
**Comparison of Interest and finance charges for 2019-20 and 2020-21**  
**(Rs. lakh)**

Particulars	2019-20 As per Truing Up Petition	2019-20 Trued Up	2020-21 Approved in ARR	2020-21 As per Truing Up Petition
Interest on long term loans	92.28	28.96	0.79	30.08
Interest on consumer security deposits	94.27	94.27	97.78	98.85
Interest on Working Capital	-	-	-	-
<b>Total</b>	<b>186.55</b>	<b>123.23</b>	<b>98.57</b>	<b>128.93</b>

### Interest on Loan

64. The licensee has claimed interest on long term loan based on the weighted average interest rate for the year 2020-21. The licensee has stated that the Interest on loan has been computed in the same methodology as approved by the Commission while truing up the accounts for the year 2019-20. The weighted average interest rate for the year 2020-21 is shown in the Table below.

**Table 24**  
**Weighted Average Interest for the year 2020-21**

Period of year	Days	Interest	Weighted Interest
01-04-2020 to 01-12-2020	245	9.50 %	2327.5
02-12-2020 to 31-03-2021	120	8.30 %	996
Total	365		3323.5
Average Interest rate			9.11 %

65. Considering the above interest rate the licensee has claimed an amount of Rs.30.08 lakh as interest on normative loan for the year 2020-21, which is tabulated below;

**Table 25**  
**Interest on normative loan claimed for the year 2020-21**

Particulars	Rs in lakh
Opening Normative loan for 2020-21	261.45
Add. Asset addition (Own Fund) for 2020-21	323.84
Less: Depreciation for 2020-21	186.38
Closing Normative Loan	398.91
Average Loan	330.18
Rate of Interest (%)	9.11
<b>Interest charges Asset additions</b>	<b>30.08</b>

66. The Commission noted that the licensee is eligible for interest and finance charges based on the provisions of the Tariff Regulations, 2018 on normative basis. **Considering para 58 of this Order, the Commission hereby provisionally allows interest on normative loan only for the asset additions made up to 2019-20. Accordingly, the interest on normative loan for the assets additions up to 2019-20 are as shown below.**

**Table 26**  
**Interest on normative loan claimed for the year 2020-21**

Particulars	Rs in lakh
Opening Normative loan for 2020-21	261.45
Add. Asset addition during the year 2020-21(Own Fund)	-
Less: Depreciation for the year 2020-21	142.60
Closing Normative Loan	118.85
Average Loan	190.15
Rate of Interest (%)	9.11
<b>Interest charges</b>	<b>17.32</b>

67. **The Commission hereby approves Rs.17.32 lakh provisionally as interest on loan for the year 2020-21 as against Rs.30.08 lakh claimed by the licensee.**

#### **Interest on security deposits**

68. The interest on security deposits paid to the consumers for the year 2020-21 as claimed by the licensee amounts to Rs.98.85 lakh as against the ARR&ERC approved amount of Rs.97.78 lakh. **The Commission hereby approves the actual amount of Rs.98.85 lakh paid by the licensee as interest on security deposits for the year 2020-21.**

#### **Interest on working capital**

69. For the year 2020-21, the interest calculation and working capital requirement as per the regulation is shown in the format D-3.7, which amounts to Rs.752.75 lakh. The Consumer Security Deposit held in cash is Rs.1503.75 lakh and the One-month power purchase cost amounts to Rs.292.66 lakh. **Therefore, there is no additional borrowings for working capital. Hence no interest on working capital is claimed by the licensee.**
70. Accordingly, the interest and finance charges approved for the year 2020-21 after truing up of accounts is tabulated below;

**Table- 27**  
**Approved Interest and finance charges 2020-21 (Rs. lakh)**

Particulars	Approved in ARR	As per Truing Up Petition	Trued Up
Interest on Normative Loan	0.79	30.08	17.32
Interest on consumer security deposits	97.78	98.85	98.85
Interest on Working Capital	-	-	-
<b>Total</b>	<b>98.57</b>	<b>128.93</b>	<b>116.17</b>

### Return on Net Fixed Assets

71. The Commission in the ARR order had allowed RoNFA of Rs.58.71 lakh at the rate of 3% of NFA net of consumer contributions and Grants. The licensee has claimed a return of Rs.48.96 lakh on the basis of net fixed assets at the rate of 3% of NFA of Rs.1632.01 lakh at the beginning of the year 2020-21. The details of the claim as per the truing up petition for the year 2020-21 are given below.

**Table 28**  
**Return on NFA claimed for 2020-21 (Rs Lakh)**

Particulars	
Net Fixed Assets net of Consumer Contribution Grants (at the beginning of the year) (Rs. lakh)	1632.01
Rate of return %	3.00%
Total return on net fixed assets (Rs.lakh)	48.96

72. The NFA at the beginning of the year 2020-21 is Rs.1457.16 lakh (Opening GFA of Rs.3427.20 lakh as on 01-04-2020 – Opening Cumulative Depreciation of Rs.1970.04 lakh as on 01-04-2020). The assets created out of Government grants and consumer contribution is Rs.612.06 lakh. Thus, the NFA eligible for return is Rs.845.10 lakh (Rs.1457.16 lakh-Rs.612.06 lakh). **The Commission hereby approves Rs.25.35 lakh as return on NFA for the year 2020-21 as shown below.**

**Table 29**  
**Return on NFA approved for the year 2020-21 (Rs Lakh)**

Particulars	Truing Up Claim	Trued Up
Net Fixed Assets net of Consumer Contribution Grants (at the beginning of the year) (Rs. lakh)	1632.01	845.10
Rate of return (%)	3.00%	3.00%
<b>Total return on Net Fixed Assets (Rs. lakh)</b>	<b>48.96</b>	<b>25.35</b>

### Collection Efficiency

73. The licensee in the petition has stated that they maintained all the meters in order. The defective meters were replaced in time and there were no defective meters to be replaced at the end of the financial year. It is also stated that the monthly electricity bills were served to all the consumers and has achieved a collection efficiency of 106.20%. The licensee has also stated that there are no

large longstanding arrears from the consumers and that the surcharge is levied promptly for delay in payment.

74. The Commission noted the claim of the licensee that the collection efficiency increased from 98.63% to 106.20%. As per Tariff Regulations, 2018, "Collection Efficiency" means payment received against the current demand raised in the bills of the distribution business/licensee, excluding the payment of arrears, as aggregated for a financial year. The licensee calculated the collection efficiency on the basis of demand raised during the year and total collection during the period. The demand raised (Rs.4145.86 lakh as per Form D 7.3) during the year is not matched with the amount in Revenue from sale of power of Rs.4260.78 lakh. In the clarification dated 20.04.2023 the licensee stated that, the demand against this particular category was Rs.1, 17, 40,809/-. This was mistakenly shown as Rs.3, 20,673/-. Accordingly, collection efficiency is 93.75 % after rectifying the error. The Commission may kindly condone the inadvertent error.
75. ***The Commission hereby directs that, the licensee shall keep all records as per the relevant Tariff Regulations and also maintain the collection efficiency up to the optimum level for the smooth running of distribution business.***

#### Revenue from sale of power

76. The total revenue for the year 2020-21 is Rs.4260.79 lakh for the sale of 505.43 lakh units. The sale and the revenue realised is low compared to 2019-20. During 2019-20, the total revenue realised was Rs.6760.31 lakh for the sale of 884.69 lakh units. The revenue realisation for the year 2020-21 is lower by 36.97% compared to previous year. The reduction is on account of lock down imposed by Government and non-operation of companies due to the impact of COVID 19 pandemic.

**Table 30**  
**Revenue from sale of Power for the year 2020-21 (Rs Lakh)**

Particulars	Number of consumers	Units Sold (lakh Units)	Grand Total	Avg. realisation per KWh
LT – IV B IT/ITES below 10kW	223	8.54	57.29	6.71
LT – IV B IT/ITES above 10kW up to 20kW	74	5.28	47.77	9.06
LT – IV B IT/ITES above 20kW	250	217.77	1907.57	8.76
LT - VI (A) General	3	0.39	3.13	8.03
LT VI (B) General	9	1.03	8.53	8.31
LT VI (C) General (1ph or 3 ph)	34	2.32	25.08	10.80
LT VI (F) General (1 ph)	42	0.78	6.60	8.44
LT VII (A) Commercial (1-Ph)	50	0.30	3.21	10.81

LT VI (F) General (3 ph)	44	11.98	117.41	9.80
LT VII (A) Commercial (3-Ph)	60	1.71	28.14	16.43
LT VII (B) Commercial	11	0.04	0.26	6.19
LT IV A Industrial below 10 KW	6	0.13	0.82	6.34
LT IV A Industrial above 10 KW below 20 KW	2	0.16	1.17	7.42
LT IV A Industrial above 20 KW	6	2.67	25.24	9.44
LT VI (G) General	1	0.04	0.50	11.86
LT IX Display Lighting and Hording	2	0.04	0.61	15.99
Self-Consumption	2	1.85	20.46	11.07
Street Lighting	16	1.53	6.69	4.38
Sub Total (LT)	835	256.56	2260.48	8.81
HT -I (B) IT & IT Services	17	238.31	1898.33	7.97
HT -II (A) General	2	6.91	59.23	8.56
HT II B	2	0.22	11.05	
HT- IV Commercial	1	3.43	30.98	9.02
Sub Total (HT)	22	248.87	1999.59	8.03
<b>Grand Total</b>	<b>857</b>	<b>505.43</b>	<b>4260.07</b>	<b>8.43</b>
Electricity Duty Recovery			199.69	
Gross Revenue from Sale of Power			4459.76	
Less: Electricity Duty Payable to Govt. plus commission (Contra Entry)			198.97	
<b>Net Revenue from Sale of Power</b>			<b>4260.79</b>	

77. The Commission had analysed the phase wise details along with the details of all the phases compiled together and noticed that the same were not tallying. The Commission had sought clarification in the matter and the licensee submitted that the difference of Rs.4.45 lakh was with regard to Commission on duty collection (Rs.1.96 lakh) and Duty collection of Technocity (Rs.2.49).
78. The Commission further sought clarification about the Electricity Duty collected from the consumers amounting to Rs.2.49 lakh in Technocity and Rs.2.67 lakh in Kollam Phase which are included in the Revenue from the sale of power. This is not the revenue of the licensee but is to be remitted to the Government. The licensee submitted that, for Kollam Campus (Phase -V), KSEBL has been billing Technopark as an HT Consumer rather than at BST tariff for the licensee. Accordingly, for this campus, Technopark is remitting the duty on KSEB Ltd bills, which is remitted in turn to the Government by KSEB Ltd. Therefore, the duties collected by Technopark from its customers of Kollam are not remitted directly to the Government by Technopark.
79. ***The Commission examined the submission of the licensee and hereby directed Technopark to sign the PPA with KSEB Ltd for the purchase of power in Kollam Phase.***

80. Regarding the profitability of distribution activity of Technocity Phase and Kollam Phase the licensee stated that, due to the outbreak of the COVID pandemic, most IT companies were operated through a Work-From-Home mode during this pandemic which led to a reduction in energy demand drastically. Moreover, the Kollam campus is a rural IT park campus and hence, the business has not picked up as expected compared to other IT campuses. Hence, the power demand is on the lower side. During this period in the Technocity campus, we had only one consumer with a demand of only 0.3MVA. The transformer losses became predominant due to this less demand. Now the situation is changed and demand has picked up because of the increase in consumer base like DUK, Suntech, TCS, etc as well as reduction in the Work-From-Home mode. The campus is developing faster and it is expected that the demand would rise by 3 MVA within a year. ***The licensee is hereby directed to put in their earnest efforts to attract more consumers, in order to make the licensee's operations more cost effective.***
81. ***After examining the details furnished by the licensee, the Commission hereby approves the revenue from sale of power at Rs.4260.79 lakh for the purpose of Truing Up of Accounts for the year 2020-21.***

**Non-Tariff Income: -**

82. The Non-tariff income accounted by the licensee for the year 2020-21 is Rs.94.04 lakh. During the year 2019-20, the non-tariff income of the licensee was Rs.129.20 lakh. Compared to the previous year, there is significant decrease (49.35%) in the interest income from investments, bank fixed deposits etc. The split-up details of Non-Tariff income claimed are shown below.

**Table 31**  
**Non-Tariff Income for the period 2019-20 and 2020-21 (Rs.lakh)**

Particulars	2019-20	2020-21
	Truing Up Petition	Truing Up Petition
Interest on investments, FD, Call Deposits & bank balances	102.21	51.77
Miscellaneous receipts	1.78	4.86
Commission for collection of electricity duty	3.51	1.96
Revenue from late payment surcharge	21.70	35.45
Total	129.20	94.04

83. The Commission had sought the reason for the decrease in the interest income from investments, bank fixed deposits etc. The licensee vide letter dated 25.04.2023 submitted the split-up details of the Interest on investments, FD, Call Deposits & bank balances.

**Table 32**  
**Non-Tariff Income for the period 2019-20 and 2020-21**

Sl. No.	Particulars	Rate	2018-19 (in Rs)	Rate	2019-20 (in Rs)	Rate	2020-21 (in Rs)
1	On SB A/cs	4%	9,77,663	3%	8,33,843	2.70%	4,47,463
2	FD towards BG - KSEB	5.75%	18,87,320	6.25%	20,61,400	6%	20,67,175
3	Cash deposit with KSEB	6.25%	38,33,110	6.25%	73,26,188	4.65%	26,62,302
Total (Rs)			66,98,093		1,02,21,431		51,76,940

84. The licensee has stated that the difference is on account of reduction of interest from cash deposit with KSEB Ltd. The licensee submitted the following reasons for the decrease.

- a) Accounting Standard 1 (AS -1) issued by the Institute of Chartered Accountants of India deals with the disclosure of accounting policies adopted by the enterprise. One of the fundamental accounting assumptions followed while preparing the financial statement is the 'Accrual' basis. As per this assumption, the revenues and costs are recognized as they are earned or incurred rather than when money is received or paid. Such accrued revenues or costs recorded in the financial statements concern the periods to which they relate.
- b) KSEB provides interest on the security deposit for each year in the next financial year. The interest so provided is reduced from the power purchase in the next financial year.
- c) Technopark has been accounting for the interest till 2019-20 as provided by KSEB as referred in para above. During the year 2019-20, the auditors pointed out the noncompliance of AS 1. Accordingly, during 2019-20, interest for 2018-19 & 2019-20 which would normally be part of 2020-21 is accounted for, resulting in incremental interest. This method is being continued henceforth.

Year	Interest amount accounted (in Rs)	Remarks
2018-19	38,33,110/-	Interest for 2017-18
2019-20	73,26,188/-	Interest for 2018-19 (Rs.36,57,632/-) & 2019-20 (Rs.36,68,556/-)
2020-21	26,62,302/-	Interest for 2020-21

85. The Commission has examined the details of non-tariff income furnished by the licensee. The licensee has booked Rs.51.77 lakh towards income from bank deposits. The cumulative surplus till 2019-20 is Rs.2267.07 lakh. The interest



on the revenue surplus is approved at the rate of 5.70% per annum (the retail term deposit rate of SBI for a tenor of one year as on 01-04-2020) which worked out to Rs.129.22 lakh (Rs.2267.07 lakh x 5.70%). As the licensee has already accounted Rs.51.77 lakh as interest from bank, the balance amount of Rs.77.45 lakh (129.22– 51.77) is treated as additional income under the head non-tariff income. **Accordingly, the Commission approves the Non-Tariff income of the licensee for the year 2019-20 as Rs.171.49 lakh (94.04 + 77.45) as below.**

**Table 33**  
**Non-Tariff Income approved for the year 2020-21 (Rs.lakh)**

Particulars	2020-21	
	Truing Up Petition	Trued Up
Interest on investments, FD, Call Deposits & bank balances	51.77	51.77
Miscellaneous receipts	4.86	4.86
Commission for collection of electricity duty	1.96	1.96
Revenue from late payment surcharge	35.45	35.45
Interest on accumulated Surplus	-	77.45
<b>Total</b>	<b>94.04</b>	<b>171.49</b>

### Revenue Surplus/Gap for 2020-21

86. Based on the above, the approved expenditure and revenue for the year 2020-21 after truing up is as shown below.

**Table 33**  
**Trued Up Income and Expenditure for the Year 2020-21**

Particulars	Approved in ARR	Truing Up Petition	Trued Up
	(Rs. lakh)	(Rs. lakh)	(Rs. lakh)
Revenue from Sale of Power	7466.51	4260.79	4260.79
Non-Tariff Income	96.27	94.04	171.49
<b>Total Income</b>	<b>7562.78</b>	<b>4354.83</b>	<b>4432.28</b>
Purchase of Power	6460.64	3511.93	3466.17
Prior Period Power Purchase Cost	-	-	9.71
Employee Cost	32.95	45.85	41.04
R&M Expenses	201.00	376.29	293.47
A &G Expenses	57.41	89.27	57.35
Interest and finance charges on long term loans	98.57	128.93	116.17
Depreciation	131.54	154.06	142.60
Return on NFA	58.71	48.96	25.35
<b>Total Expenditure</b>	<b>7040.82</b>	<b>4355.30</b>	<b>4151.86</b>
<b>Net Surplus/(Gap)</b>	<b>521.96</b>	<b>(0.47)</b>	<b>280.42</b>

## Orders of the Commission

87. The Commission after considering the petition filed by M/s. Technopark for Truing up of accounts for the year 2020-21, and the clarifications and details provided by the licensee approves the following.
- Total revenue is Rs.4432.28 lakh.**
  - Total expenditure is Rs.4151.86 lakh.**
  - The revenue surplus for the year is Rs.280.42 lakh. (Provisional)**
  - The accumulated revenue surplus up to 2019-20 is Rs.2267.07 lakh. Total provisional cumulative revenue surplus till 2020-21 will be Rs.2547.49 lakh (Rs.2267.07 lakh + Rs.280.42 lakh).**
88. The Commission issues the following directives for compliance:
- The licensee to submit the phase wise details regarding R&M expenditure for the years 2015-16 to 2020-21 within 3 months of this Order. (Para 48)
  - The licensee is directed to submit the justification and documents of assets additions during the year 2020-21 before the Commission within three months from the date of this Order. The asset addition will be considered for approval after prudence check while the Truing Up of accounts for the year 2021-22. (Para 57)
  - The licensee to submit the complete information on the Fixed Assets indicating therein, the Assets category, procurement date and cost, salvage value, useful life of assets, capitalisation date, completed years as on 01-04-2020, remaining life of the assets, depreciation claimed till date etc. with two category viz. (a) Assets below 12 years of age and (b) Assets with more than 12 years of age within a period of three months from the date of this Order for the determination of depreciation admissible as per Regulations 27. (Para 62)
  - The licensee is directed to sign the PPA with KSEB Ltd for the purchase of power in Kollam Phase. (Para 79)
89. The petition is disposed of. Ordered accordingly.

Sd/-  
**Sri. B. Pradeep**  
**Member**

Sd/-  
**Adv. A. J. Wilson**  
**Member**

Sd/-  
**Sri. T.K Jose**  
**Chairman**

Approved for issue  
Sd/-  
C.R.Satheesh Chandran  
Secretary